

CITY OF AMERY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017

**CITY OF AMERY, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

The City Council
City of Amery
Amery, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amery, Wisconsin (City) as of and for the year ended December 31, 2017, 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, 2017, and the respective changes in the financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended December 31, 2016 which are not presented with the accompanying financial statements. In our report dated September 18, 2017, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining

City Council
City of Amery

fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 2016 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 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 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 6, 2018

**CITY OF AMERY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 2,031,917	\$ 941,854	\$ 2,973,771
Land Held for Resale	250,780	-	250,780
Taxes Receivable	2,086,991	16,635	2,103,626
Accounts Receivable	106,542	259,220	365,762
Due from Other Governmental Units	1,440	-	1,440
Prepayments	69,487	-	69,487
Inventories	-	25,515	25,515
Special Assessments Receivable	31,975	19,792	51,767
Long-Term Receivables	305,211	-	305,211
Restricted Assets:			
Cash and Investments	-	178,563	178,563
Capital Assets:			
Capital Assets Not Being Depreciated	929,255	72,181	1,001,436
Capital Assets Being Depreciated	11,384,125	9,353,759	20,737,884
Accumulated Depreciation	<u>(5,264,490)</u>	<u>(5,181,142)</u>	<u>(10,445,632)</u>
Total Assets	11,933,233	5,686,377	17,619,610
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	538,188	110,231	648,419
LIABILITIES			
Vouchers and Accounts Payable	122,471	19,460	141,931
Accrued Interest Payable	20,590	2,900	23,490
Payroll Taxes and Withholdings	65,418	-	65,418
Due to Other Governmental Units	14,484	-	14,484
Special Deposits	21,091	-	21,091
Due to Fiduciary Funds	8,000	-	8,000
Noncurrent Liabilities:			
Amounts Due Within One Year	419,537	107,241	526,778
Amounts Due in More than One Year	3,433,461	577,596	4,011,057
Wisconsin Retirement System Pension Liability	<u>69,175</u>	<u>14,168</u>	<u>83,343</u>
Total Liabilities	4,174,227	721,365	4,895,592
DEFERRED INFLOWS OF RESOURCES			
Succeeding Year's Property Taxes	2,334,688	-	2,334,688
Wisconsin Retirement System Pension Related	<u>217,777</u>	<u>44,605</u>	<u>262,382</u>
Total Deferred Inflows of Resources	2,552,465	44,605	2,597,070
NET POSITION			
Net Investment in Capital Assets	4,844,732	3,651,126	8,495,858
Restricted For:			
Capital Projects and Plant Replacement	1,075,507	178,563	1,254,070
Housing and Business Loan Programs	359,623	-	359,623
Other Purposes	195,845	-	195,845
Unrestricted	<u>(730,978)</u>	<u>1,200,949</u>	<u>469,971</u>
Total Net Position	\$ 5,744,729	\$ 5,030,638	\$ 10,775,367

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General Government	\$ 794,705	\$ 49,924	\$ -	\$ -	\$ (744,781)	\$ -	\$ (744,781)
Public Safety	1,457,138	225,731	43,853	-	(1,187,554)	-	(1,187,554)
Public Works	883,681	197,981	200,444	-	(485,256)	-	(485,256)
Health and Human Services	386	-	-	-	(386)	-	(386)
Culture, Recreation, and Education	604,160	14,095	191,018	-	(399,047)	-	(399,047)
Conservation and Development	155,516	-	16,434	-	(139,082)	-	(139,082)
Interest and Fiscal Charges	181,284	-	-	-	(181,284)	-	(181,284)
Total Governmental Activities	4,076,870	487,731	451,749	-	(3,137,390)	-	(3,137,390)
BUSINESS-TYPE ACTIVITIES							
Water	282,296	442,570	-	-	-	160,274	160,274
Sewer	666,817	654,589	-	-	-	(12,228)	(12,228)
Total Business-Type Activities	949,113	1,097,159	-	-	-	148,046	148,046
Total Primary Government	\$ 5,025,983	\$ 1,584,890	\$ 451,749	\$ -	(3,137,390)	148,046	(2,989,344)
GENERAL REVENUES							
Taxes							
Property Taxes, Levied for General Purposes					1,832,500	-	1,832,500
Property Taxes, Levied for TIF Districts					477,767	-	477,767
Other Taxes					77,117	-	77,117
Grants and Contributions not Restricted for a Particular Purpose					597,228	-	597,228
Interest and Investment Earnings					47,848	544	48,392
Miscellaneous					165,748	-	165,748
TRANSFERS					81,186	(81,186)	-
Total General Revenues and Transfers					3,279,394	(80,642)	3,198,752
CHANGE IN NET POSITION							
Net Position - Beginning of Year					5,602,725	4,963,234	10,565,959
NET POSITION - END OF YEAR					\$ 5,744,729	\$ 5,030,638	\$ 10,775,367

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General Fund	CDBG Housing Revolving Loan Fund	Library Fund	Debt Service Fund	Tax Incremental District #5 Fund
ASSETS					
Treasurer's Cash and Investments	\$ 639,364	\$ 36,540	\$ 223,591	\$ 9,819	\$ 1,075,507
Land Held for Resale	250,780	-	-	-	-
Taxes Receivable	1,215,916	-	187,540	-	170,225
Special Assessments Receivable	31,975	-	-	-	-
Accounts Receivable	106,542	-	-	-	-
Due from Other Governmental Units	1,440	-	-	-	-
Due from Other Funds	222,339	-	-	-	-
Prepayments	19,490	-	-	-	-
Advances to Other Funds	3,740	-	-	-	-
Long-Term Receivables	-	288,389	-	-	-
Total Assets	\$ 2,491,586	\$ 324,929	\$ 411,131	\$ 9,819	\$ 1,245,732
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Vouchers and Accounts Payable	\$ 94,725	\$ -	\$ 27,746	\$ -	\$ -
Payroll Withholdings	65,418	-	-	-	-
Due to Other Governmental Units	14,484	-	-	-	-
Due to Other Funds	-	-	-	22,267	-
Due to Fiduciary Funds	8,000	-	-	-	-
Advance from Other Funds	-	3,740	-	-	-
Special Deposits	21,091	-	-	-	-
Total Liabilities	203,718	3,740	27,746	22,267	-
Deferred Inflows of Resources:					
Succeeding Year's Property Taxes	1,463,613	-	187,540	-	170,225
Unavailable Revenue - Special Assessments	34,421	-	-	-	-
Unavailable Revenue - Long-Term Receivables	-	288,389	-	-	-
Total Deferred Inflows of Resources	1,498,034	288,389	187,540	-	170,225
Fund Balances:					
Nonspendable	301,373	-	-	-	-
Restricted	-	32,800	195,845	9,819	1,075,507
Unassigned	488,461	-	-	(22,267)	-
Total Fund Balances	789,834	32,800	195,845	(12,448)	1,075,507
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,491,586	\$ 324,929	\$ 411,131	\$ 9,819	\$ 1,245,732

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	Tax Incremental District #6 Fund	Capital Improvements Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Treasurer's Cash and Investments	\$ -	\$ -	\$ 47,096	\$ 2,031,917
Land Held for Resale	-	-	-	250,780
Taxes Receivable	276,234	178,352	58,724	2,086,991
Special Assessments Receivable	-	-	-	31,975
Accounts Receivable	-	-	-	106,542
Due from Other Governmental Units	-	-	-	1,440
Due from Other Funds	-	-	-	222,339
Prepayments	-	49,997	-	69,487
Advances to Other Funds	-	-	-	3,740
Long-Term Receivables	-	-	16,822	305,211
	<u>\$ 276,234</u>	<u>\$ 228,349</u>	<u>\$ 122,642</u>	<u>\$ 5,110,422</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Vouchers and Accounts Payable	\$ -	\$ -	\$ -	\$ 122,471
Payroll Withholdings	-	-	-	65,418
Due to Other Governmental Units	-	-	-	14,484
Due to Other Funds	123,490	61,818	14,764	222,339
Due to Fiduciary Funds	-	-	-	8,000
Advance from Other Funds	-	-	-	3,740
Special Deposits	-	-	-	21,091
	<u>123,490</u>	<u>61,818</u>	<u>14,764</u>	<u>457,543</u>
Deferred Inflows of Resources:				
Succeeding Year's Property Taxes	276,234	178,352	58,724	2,334,688
Unavailable Revenue - Special Assessments	-	-	-	34,421
Unavailable Revenue - Long-Term Receivables	-	-	16,822	305,211
	<u>276,234</u>	<u>178,352</u>	<u>75,546</u>	<u>2,674,320</u>
Fund Balances:				
Nonspendable	-	49,997	-	351,370
Restricted	-	-	21,612	1,335,583
Unassigned	(123,490)	(61,818)	10,720	291,606
	<u>(123,490)</u>	<u>(11,821)</u>	<u>32,332</u>	<u>1,978,559</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 276,234</u>	<u>\$ 228,349</u>	<u>\$ 122,642</u>	<u>\$ 5,110,422</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, 2017**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 1,978,559

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

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

Land	\$ 929,255	
Land Improvements	1,440,663	
Buildings	4,725,172	
Equipment and Vehicles	3,261,632	
Infrastructure	1,956,658	
Accumulated Depreciation	<u>(5,264,490)</u>	7,048,890

Some receivables, including special assessments, are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 339,632

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

Deferred Outflows of Resources		538,188
Net Pension Plan Liability		(69,175)
Deferred Inflows of Resources		(217,777)

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

General Obligation Bonds Payable	2,065,000	
General Obligation Notes Payable	654,304	
Capital Leases Payable	95,627	
Accrued Interest on Long-Term Debt	20,590	
Compensated Absences Payable	318,496	
Estimated Landfill Postclosure Liability	<u>676,040</u>	(3,830,057)

The premium on debt issued is deferred in the statement of net assets and amortized over the life of the related debt. In the governmental funds the premium is considered an other financing source when received. (43,531)

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 5,744,729

**CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017**

	General Fund	CDBG Housing Revolving Loan Fund	Library Fund	Debt Service Fund	Tax Incremental District #5 Fund
REVENUES					
Taxes	\$ 1,553,475	\$ -	\$ 193,046	\$ -	\$ 175,159
Special Assessments	2,885	-	-	-	-
Intergovernmental	831,884	-	174,803	-	920
Licenses and Permits	53,096	-	-	-	-
Fines and Forfeits	41,732	-	-	-	-
Public Charges for Services	211,156	-	-	-	-
Intergovernmental Charges for Services	200,094	-	-	-	-
Miscellaneous:					
Interest	48,245	3	1	-	-
Rent	104,844	-	-	-	-
Sale of Property	1,150	-	-	-	-
Donations	27,400	-	16,214	-	-
Loan Repayments	-	9,588	-	-	-
Other	22,584	-	9,755	-	-
Total Revenues	3,098,545	9,591	393,819	-	176,079
EXPENDITURES					
General Government	781,502	-	-	-	-
Public Safety	1,084,390	-	-	-	-
Public Works	843,137	-	-	-	-
Health and Human Services	386	-	-	-	-
Culture, Recreation, and Education	150,769	-	367,149	-	-
Conservation and Development	15,870	-	-	-	18,525
Debt Service:					
Principal Retirement	-	-	-	376,328	-
Principal Retirement on Refinanced Debt	-	-	-	25,000	-
Interest and Fiscal Charges	-	-	-	112,157	-
Total Expenditures	2,876,054	-	367,149	513,485	18,525
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	222,491	9,591	26,670	(513,485)	157,554
OTHER FINANCING SOURCES (USES)					
Transfers In	81,186	-	-	593,485	-
Transfers Out	(500,199)	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	(80,000)	-
Total Other Financing Sources (Uses)	(419,013)	-	-	513,485	-
NET CHANGE IN FUND BALANCES	(196,522)	9,591	26,670	-	157,554
Fund Balances - Beginning of Year	986,356	23,209	169,175	(12,448)	917,953
FUND BALANCES - END OF YEAR	\$ 789,834	\$ 32,800	\$ 195,845	\$ (12,448)	\$ 1,075,507

See accompanying Notes to Basic Financial Statements.

CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

	Tax Incremental District #6 Fund	Capital Improvements Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 249,191	\$ 163,097	\$ 53,416	\$ 2,387,384
Special Assessments	-	-	-	2,885
Intergovernmental	6,459	-	110	1,014,176
Licenses and Permits	-	-	-	53,096
Fines and Forfeits	-	-	-	41,732
Public Charges for Services	-	-	-	211,156
Intergovernmental Charges for Services	-	-	-	200,094
Miscellaneous:				
Interest	-	-	2	48,251
Rent	-	-	-	104,844
Sale of Property	-	-	-	1,150
Donations	-	-	-	43,614
Loan Repayments	-	-	4,795	14,383
Other	-	-	-	32,339
Total Revenues	255,650	163,097	58,323	4,155,104
EXPENDITURES				
General Government	-	3,640	-	785,142
Public Safety	-	208,140	-	1,292,530
Public Works	-	15,777	2,985	861,899
Health and Human Services	-	-	-	386
Culture, Recreation, and Education	-	-	-	517,918
Conservation and Development	112,174	-	21,866	168,435
Debt Service:				
Principal Retirement	-	-	-	376,328
Principal Retirement on Refinanced Debt	-	-	-	25,000
Interest and Fiscal Charges	-	-	-	112,157
Total Expenditures	112,174	227,557	24,851	4,139,795
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	143,476	(64,460)	33,472	15,309
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	674,671
Transfers Out	(93,286)	-	-	(593,485)
Principal Payments on Refinanced Debt	-	-	-	(80,000)
Total Other Financing Sources (Uses)	(93,286)	-	-	1,186
NET CHANGE IN FUND BALANCES	50,190	(64,460)	33,472	16,495
Fund Balances - Beginning of Year	(173,680)	52,639	(1,140)	1,962,064
FUND BALANCES - END OF YEAR	<u>\$ (123,490)</u>	<u>\$ (11,821)</u>	<u>\$ 32,332</u>	<u>\$ 1,978,559</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, 2017**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 16,495**

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	\$ 311,010	
Depreciation Expense Reported in the Statement of Activities	<u>(426,361)</u>	(115,351)

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. (120,533)

Receivables not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide statements. (4,497)

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset, liability and related deferred outflows and inflows of resources. (52,372)

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	105,000	
General Obligation Notes Principal Retirement	250,276	
Capital Lease Principal Retirement	<u>46,052</u>	401,328

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	3,181	
Amortization of Debt Premium	5,133	
Net Change in WRS Prior Service Liability	1,834	
Net Change in Compensated Absences Payable	4,227	
Net Change in Estimated Landfill Postclosure Liability	<u>2,559</u>	<u>16,934</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 142,004**

**CITY OF AMERY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
ASSETS			
Current Assets:			
Cash and Investments	\$ 446,397	\$ 495,457	\$ 941,854
Customer Accounts Receivable	101,480	157,740	259,220
Accounts Receivable on Tax Roll	5,994	10,641	16,635
Inventories	25,515	-	25,515
Total Current Assets	<u>579,386</u>	<u>663,838</u>	<u>1,243,224</u>
Restricted Assets:			
Equipment Replacement Fund Investments	-	178,563	178,563
Capital Assets:			
Utility Plant in Service	4,423,923	4,981,535	9,405,458
Less: Accumulated Depreciation	1,847,023	3,334,120	5,181,143
Net Capital Assets	<u>2,576,900</u>	<u>1,647,415</u>	<u>4,224,315</u>
Construction Work in Progress	-	20,483	20,483
Total Capital Assets	<u>2,576,900</u>	<u>1,667,898</u>	<u>4,244,798</u>
Other Assets:			
Special Assessments Receivable	-	19,792	19,792
Total Assets	<u>3,156,286</u>	<u>2,530,091</u>	<u>5,686,377</u>
DEFERRED OUTFLOWS OR RESOURCES			
Wisconsin Retirement System Pension Related	32,421	77,810	110,231
LIABILITIES			
Current Liabilities:			
Accounts Payable	5,526	13,934	19,460
Accrued Interest Payable	2,900	-	2,900
Current Portion of Long-Term Debt:			
General Obligation Bonds	85,000	-	85,000
Accrued Compensated Absences	6,225	16,016	22,241
Total Current Liabilities	<u>99,651</u>	<u>29,950</u>	<u>129,601</u>
Long-Term Liabilities (Net of Current Portion):			
General Obligation Bonds	495,000	-	495,000
Unamortized Bond Premium	13,672	-	13,672
Accrued Compensated Absences	8,185	60,739	68,924
Wisconsin Retirement System Pension Liability	4,167	10,001	14,168
Total Long-Term Liabilities	<u>521,024</u>	<u>70,740</u>	<u>591,764</u>
Total Liabilities	620,675	100,690	721,365
DEFERRED INFLOWS OR RESOURCES			
Wisconsin Retirement System Pension Related	<u>13,119</u>	<u>31,486</u>	<u>44,605</u>
NET POSITION			
Net Investment in Capital Assets	1,983,228	1,667,898	3,651,126
Restricted for Equipment Replacement	-	178,563	178,563
Unrestricted	<u>571,685</u>	<u>629,264</u>	<u>1,200,949</u>
Total Net Position	<u>\$ 2,554,913</u>	<u>\$ 2,475,725</u>	<u>\$ 5,030,638</u>

See accompanying Notes to Basic Financial Statements.

CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
OPERATING REVENUES			
Sales of Water/Sewerage Revenues:			
Residential	\$ 137,114	\$ 343,263	\$ 480,377
Commercial	53,126	136,015	189,141
Industrial	22,324	72,799	95,123
Public Authorities	20,736	45,043	65,779
Multifamily Residential	31,753	51,938	83,691
Private Fire Protection	8,064	-	8,064
Public Fire Protection	147,195	-	147,195
Total Sales of Water/Sewerage Revenues	<u>420,312</u>	<u>649,058</u>	<u>1,069,370</u>
Other Operating Revenues	22,258	5,531	27,789
Total Operating Revenues	<u>442,570</u>	<u>654,589</u>	<u>1,097,159</u>
OPERATING EXPENSES			
Operation and Maintenance	166,250	512,928	679,178
Depreciation	104,666	153,889	258,555
Total Operating Expenses	<u>270,916</u>	<u>666,817</u>	<u>937,733</u>
OPERATING INCOME (LOSS)	171,654	(12,228)	159,426
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	544	-	544
Interest Expense	(13,089)	-	(13,089)
Other	1,709	-	1,709
Total Nonoperating Revenues (Expenses)	<u>(10,836)</u>	<u>-</u>	<u>(10,836)</u>
INCOME (LOSS) BEFORE TRANSFERS	160,818	(12,228)	148,590
TRANSFERS:			
Transfer to Governmental Funds - Property Tax Equivalent	(81,186)	-	(81,186)
CHANGE IN NET POSITION	79,632	(12,228)	67,404
Net Position - Beginning of Year	<u>2,475,281</u>	<u>2,487,953</u>	<u>4,963,234</u>
NET POSITION - END OF YEAR	<u>\$ 2,554,913</u>	<u>\$ 2,475,725</u>	<u>\$ 5,030,638</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Utility Customers	\$ 286,002	\$ 664,593	\$ 950,595
Cash Received for Public Fire Protection	147,195	-	147,195
Cash Received (Paid) for Meter Related Charges	19,651	(21,403)	(1,752)
Cash Paid to Suppliers for Goods and Services	(95,811)	(249,755)	(345,566)
Cash Paid for Employee Services	(74,375)	(194,007)	(268,382)
Net Cash Provided by (Used for) Operating Activities	282,662	199,428	482,090
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Payments for Tax Equivalent	(81,186)	-	(81,186)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Payments for Capital Assets	-	(34,454)	(34,454)
Cash Received from Customer Contributions	-	15,208	15,208
Cash Received from Issuance of Debt	1,709	-	1,709
Principal Paid on Long-Term Debt	(85,000)	-	(85,000)
Interest Paid on Long-Term Debt	(15,223)	-	(15,223)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(98,514)	(19,246)	(117,760)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	544	-	544
NET CHANGE IN CASH AND CASH EQUIVALENTS	103,506	180,182	283,688
Cash and Cash Equivalents - Beginning of Year	342,891	493,838	836,729
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 446,397</u>	<u>\$ 674,020</u>	<u>\$ 1,120,417</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 171,654	\$ (12,228)	\$ 159,426
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	104,666	153,889	258,555
Net Change in Wisconsin Pension Deferred Outflow	53,810	66,027	119,837
Net Change in Wisconsin Pension Liability	(27,814)	2,194	(25,620)
Net Change in Wisconsin Pension Deferred Inflow	(24,358)	(16,429)	(40,787)
(Increase) Decrease in Assets:			
Customer Accounts Receivable	3,831	(2,215)	1,616
Accounts Receivable on Tax Roll	6,447	12,219	18,666
Inventories	(950)	3,436	2,486
Decrease (Increase) in Liabilities:			
Accounts Payable	2,455	(2,869)	(414)
Accrued Compensated Absences	(7,079)	(4,596)	(11,675)
Net Cash Provided by (Used for) Operating Activities	\$ 282,662	\$ 199,428	\$ 482,090
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS			
Cash and Investments per Statement of Net Position:			
Cash and Investments	\$ 446,397	\$ 495,457	\$ 941,854
Cash and Investments - Restricted	-	178,563	178,563
	446,397	674,020	1,120,417
CASH AND CASH EQUIVALENTS	\$ 446,397	\$ 674,020	\$ 1,120,417

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017**

	Private Purpose Trust Fund	Tax Agency Fund
	Fire Department Retirement Fund	
ASSETS		
Cash and Investments	\$ 97,345	\$ 752,041
Taxes Receivable	-	2,286,158
Due from Governmental Funds	8,000	-
Total Assets	105,345	\$ 3,038,199
LIABILITIES		
Due to Other Governmental Units:		
County	\$ -	\$ 909,963
Special Purpose District	-	29,028
School	-	2,029,949
Technical College	-	69,259
Total Liabilities	-	\$ 3,038,199
NET POSITION		
Held for Retirement Benefits	\$ 105,345	

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2017**

	Private Purpose Trust Fund
	Fire Department Retirement Fund
ADDITIONS	
Contribution from General Fund	\$ 8,000
DEDUCTIONS	
Retirement Benefits Paid	9,810
CHANGE IN NET POSITION	(1,810)
Net Position - Beginning of Year	107,155
NET POSITION - END OF YEAR	\$ 105,345

See accompanying Notes to Basic Financial Statements.

CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

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

CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Additionally, the City reports the following fiduciary funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Deposits and Investments

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

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

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

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

CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

Investments of the City are stated at fair value.

2. Receivables and Payables

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

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

Special Assessments. Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2017 tax roll are recognized as revenue in 2018.) 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 (\$16,822). All accounts receivable are considered to be collectible in full.

CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

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

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets (Continued)

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

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

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

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

6. Deferred Outflows of Resources

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Deferred Inflows of Resources

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

8. Compensated Absences

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

9. Wisconsin Retirement System Pension Plan Benefits

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

10. Long-Term Obligations

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

CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Defining Operating Revenue and Expense

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

12. Use of Restricted Resources

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

13. Equity Classifications

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

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Equity Classifications (Continued)

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Generally accepted accounting principles require the disclosure of individual funds that have deficit balances at year end. At December 31, 2017 certain funds had deficit balances as shown below:

Tax Incremental District #6	\$	(123,490)
Tax Incremental District #8		(17,264)
Capital Improvements Fund		(11,821)
Debt Service Fund		(12,448)
		(165,023)
	\$	(165,023)

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

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

The deficit in the capital improvements fund is financed by the subsequent tax levy.

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

Expenditures in excess of budget for fiscal year 2017 were as follows:

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Fund				
General Government	\$ 638,192	\$ 638,192	\$ 781,502	\$ (143,310)
Public Safety	1,068,067	1,068,067	1,084,390	(16,323)
Health and Human Services	223	223	386	(163)
Culture, Recreation, and Education	91,660	91,660	150,769	(59,109)
Conservation and Development	13,300	13,300	15,870	(2,570)

**CITY OF AMERY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash and investments balances at December 31, 2017 as shown in the financial statements as follows:

Governmental Funds	\$ 2,031,917
Proprietary Funds	1,120,417
Fiduciary Funds	849,386
Total	\$ 4,001,720

The above cash and investments balances consisted of the following:

Deposits at Financial Institutions	\$ 4,000,720
Petty Cash	1,000
Total	\$ 4,001,720

Deposits at Financial Institutions

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

Custodial credit risk for deposits is the risk that, in the event of failure, the City's deposits may not be returned. At December 31, 2017, the City's deposits were not exposed to custodial credit risk.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables/Deferred Inflows of Resources

Other Receivables

Housing Rehabilitation Loans Receivable. The City was awarded Community Development Block Grants for financing housing rehabilitation loans. At December 31, 2017, the City had twenty-four (24) outstanding deferred loans totaling \$288,389. The deferred loans become due and payable in full in the event that the maker no longer continues to occupy the premises securing the loan as a full-time residence, or if the maker transfers any legal or equitable interest in the mortgage premises to anyone for any reason.

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

C. Capital Assets

Capital assets activity for the year ended December 31, 2017 is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 929,255	\$ -	\$ -	\$ 929,255
Capital Assets Being Depreciated				
Land Improvements	1,440,663	-	-	1,440,663
Buildings	4,725,172	-	-	4,725,172
Equipment and Vehicles	3,171,025	311,010	220,403	3,261,632
Infrastructure	1,956,658	-	-	1,956,658
Total Capital Assets Being Depreciated	<u>11,293,518</u>	<u>311,010</u>	<u>220,403</u>	<u>11,384,125</u>
Total Capital Assets	12,222,773	311,010	220,403	12,313,380
Accumulated Depreciation:				
Land Improvements	1,001,785	30,273	-	1,032,058
Buildings	1,558,330	122,882	-	1,681,212
Equipment and Vehicles	2,072,386	212,685	99,870	2,185,201
Infrastructure	305,498	60,521	-	366,019
Total Accumulated Depreciation	<u>4,937,999</u>	<u>426,361</u>	<u>99,870</u>	<u>5,264,490</u>
Net Capital Assets - Governmental Activities	<u>\$ 7,284,774</u>	<u>\$ (115,351)</u>	<u>\$ 120,533</u>	<u>\$ 7,048,890</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 609
Public Safety	161,505
Public Works	186,208
Culture, Recreation and Education	78,039
Total Depreciation - Governmental Activities	<u>\$ 426,361</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Joint Water and Sewer Utility:				
Water Department:				
Capital Assets Not Being Depreciated				
Land and Land Rights	\$ 15,358	\$ -	\$ -	\$ 15,358
Capital Assets Being Depreciated:				
Source of Supply	198,218	-	-	198,218
Pumping Plant	259,772	-	-	259,772
Water Treatment	13,455	-	-	13,455
Transmission and Distribution	3,804,275	-	-	3,804,275
General Plant	132,845	-	-	132,845
Total Capital Assets Being Depreciated	4,408,565	-	-	4,408,565
Total Capital Assets	4,423,923	-	-	4,423,923
Less Accumulated Depreciation	1,742,356	104,666	-	1,847,022
Net Capital Assets - Water Utility	2,681,567	(104,666)	-	2,576,901
Sewer Department:				
Capital Assets Not Being Depreciated				
Land and Land Rights	36,340	-	-	36,340
Construction Work in Progress	-	20,483	-	20,483
Total Capital Assets Not Being Depreciated	36,340	20,483	-	56,823
Capital Assets Being Depreciated:				
Collection System	1,501,074	-	-	1,501,074
Pumping System	241,636	-	-	241,636
Treatment and Disposal Plant	3,085,069	13,970	22,439	3,076,600
General Plant	125,884	-	-	125,884
Total Capital Assets Being Depreciated	4,953,663	13,970	22,439	4,945,194
Total Capital Assets	4,990,003	34,453	22,439	5,002,017
Less Accumulated Depreciation	3,202,670	153,889	22,439	3,334,120
Net Capital Assets - Sewer Utility	1,787,333	(119,436)	-	1,667,897
Net Capital Assets - Business-Type Activities	\$ 4,468,900	\$ (224,102)	\$ -	\$ 4,244,798

Depreciation was charged to business-type activities as follows:

Water	\$ 104,666
Sewer	153,889
Total Depreciation - Business-Type Activities	\$ 258,555

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2017 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purposes</u>
General Fund	Tax Incremental District #6 Fund	\$ 123,490	Finance Cash Deficit
General Fund	Tax Incremental District #8 Fund	14,764	
General Fund	Capital Projects Fund	61,818	Finance Cash Deficit
General Fund	Debt Service Fund	22,267	Finance Cash Deficit
Fire Department Retirement	General Fund	8,000	Retirement Fund Contribution
		<u>\$230,339</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

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	\$ 81,186	Property Tax Equivalent
Debt Service Fund	General Fund	500,199	Finance Current Maturities
Debt Service Fund	Tax Incremental District #6 Fund	93,286	Finance Current Maturities
		<u>\$674,671</u>	

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the City for the year ended December 31, 2017 were as follows:

	Balance 1/1/17	Issued	Retired	Balance 12/31/17	Amounts Due Within One Year
Primary Government					
Governmental Activities					
General Obligation Bonds	\$ 2,170,000	\$ -	\$ 105,000	\$ 2,065,000	\$ 185,000
General Obligation Notes	904,580	-	250,276	654,304	112,015
Capital Leases Payable	141,679	-	46,052	95,627	47,216
Bond Premiums	48,664	-	5,133	43,531	-
WRS Prior Service Liability	1,834	-	1,834	-	-
Compensated Absences	322,723	-	4,227	318,496	75,306
Estimated Landfill Postclosure Liability	678,599	-	2,559	676,040	-
Governmental Activities - Long-Term Liabilities	\$ 4,268,079	\$ -	\$ 415,081	\$ 3,852,998	\$ 419,537
Business-Type Activities					
General Obligation Bonds	\$ 665,000	\$ -	\$ 85,000	\$ 580,000	\$ 85,000
Bond Premiums	15,381	-	1,709	13,672	-
Compensated Absences	102,840	-	11,675	91,165	22,241
Business-Type Activities - Long-Term Liabilities	\$ 783,221	\$ -	\$ 98,384	\$ 684,837	\$ 107,241

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt

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

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

Individual general obligation long-term debt issues outstanding at December 31, 2017 are as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
Governmental Activities:					
General Obligation Bonds:					
Refunding Bonds, Series 2016A	6/1/2016	4/1/28	2.00% - 2.05%	\$ 2,945,000	\$ 2,065,000
General Obligation Notes:					
Landfill Remediation Promissory Notes, Series 2000	5/10/00	5/1/20	0.00%	481,687	73,376
State Trust Fund Loan	10/13/04	3/15/19	5.00%	429,000	81,901
State Trust Fund Loan	10/25/05	3/15/20	5.00%	25,000	7,011
Promissory Note	1/31/14	1/31/24	4.92%	404,106	287,166
Promissory Note	12/2/15	9/15/15	3.25%	250,000	204,850
Business-Type Activities:					
General Obligation Bonds:					
Refunding Bonds, Series 2016A	6/1/2016	4/1/28	2.00% - 2.05%	2,945,000	580,000
Total					<u>\$ 3,299,304</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

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

Year	Annual Requirements			Funding Sources				
	Principal	Interest	Total	General Fund	Library Fund	TID #6 Fund	Water Department Fund	Total
2018	\$ 382,015	\$ 79,756	\$ 461,771	\$ 246,385	\$ 26,400	\$ 92,386	\$ 96,600	\$ 461,771
2019	425,719	70,653	496,372	278,985	25,900	91,586	99,900	496,371
2020	385,960	59,999	445,959	275,885	20,400	51,573	98,100	445,958
2021	316,156	51,571	367,727	248,327	-	48,100	71,300	367,727
2022	308,304	44,122	352,426	250,227	-	47,200	55,000	352,427
2023-2027	1,321,150	92,983	1,414,133	1,137,834	-	66,300	210,000	1,414,134
2028-2032	160,000	1,640	161,640	161,640	-	-	-	161,640
	<u>\$ 3,299,304</u>	<u>\$ 400,724</u>	<u>\$ 3,700,028</u>	<u>\$ 2,599,283</u>	<u>\$ 72,700</u>	<u>\$ 397,145</u>	<u>\$ 630,900</u>	<u>\$ 3,700,028</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, 2017, the City's debt limit amounted to \$10,055,690 and indebtedness subject to the limitation totaled \$3,299,304.

Capital Leases

On November 17, 2014 the City entered into a capital lease in the amount of \$230,402 for the purpose of leasing a motor grader for use in the general governmental activities of the City. The lease carries an interest rate of 2.5% with annual maturities from November 2015 through November 2019. The related capital asset is recorded within governmental activities at a cost of \$259,892 and accumulated depreciation at December 31, 2017 of \$70,387.

<u>Year</u>	<u>Amount</u>
2018	\$ 49,634
2019	49,634
Total Minimum Lease Payments	<u>99,268</u>
Less Amount Representing Interest	3,641
Present Value of Minimum Lease Payments	<u>\$ 95,627</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2017 consisted of the following:

	Total	Nonspendable	Restricted	Unassigned
Major Funds:				
General Fund				
Advances to Other Funds	\$ 3,740	\$ 3,740	\$ -	\$ -
Delinquent Taxes	27,363	27,363	-	-
Land Held for Resale	250,780	250,780	-	-
Prepaid Items	19,490	19,490	-	-
Unassigned	488,461	-	-	488,461
Subtotal General Fund	789,834	301,373	-	488,461
CDBG Housing Revolving Loan Fund	32,800	-	32,800	-
Library Fund	195,845	-	195,845	-
Debt Service Fund	(12,448)	-	9,819	(22,267)
Tax Incremental District #5 Fund	1,075,507	-	1,075,507	-
Tax Incremental District #6 Fund	(123,490)	-	-	(123,490)
Capital Improvements Fund	(11,821)	49,997	-	(61,818)
Nonmajor Funds:				
Special Revenue Funds:				
Community Micro - Loan Fund	21,612	-	21,612	-
Capital Projects Funds:				
Tax Incremental District #7 Fund	27,984	-	-	27,984
Tax Incremental District #8 Fund	(17,264)	-	-	(17,264)
 Total Governmental Fund Balances at December 31, 2017	 <u>\$ 1,978,559</u>	 <u>\$ 351,370</u>	 <u>\$ 1,335,583</u>	 <u>\$ 291,606</u>

G. Tax Incremental Districts

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Tax Incremental Districts (Continued)

The City had terminated TID #2 and TID #3 during 2001 with closeout of the funds at December 31, 2001, and TID #4 was terminated in 2004. TID #5, TID #6, TID #7 and TID #8 were still in existence at December 31, 2017. The resolution creating TID #5 was dated September 28, 1992 and the resolution creating TID #6 was dated May 5, 2004. The resolution creating TID #7 was dated September 30, 2010. The resolution creating TID #8 was dated June 9, 2016. The project plans, on file in the office of the City Administrator, detail the proposed projects, the estimated years of construction or site acquisition and the estimated costs of the individual project components.

Transactions of TID #5, TID #6, TID #7 and TID #8 are accounted for in capital projects funds. Project expenditures through December 31, 2017 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, 2017 are summarized as follows:

	TID #5	TID #6	TID #7	TID #8
Accumulated Project Costs:				
Project Expenditures	\$ 2,399,974	\$ 2,253,977	\$ 281,044	\$ 17,264
Debt Expenditures:				
Interest Charges	584,024	262,590	10,928	-
Transfers Out	403,538	-	-	-
Total Project Costs	<u>3,387,536</u>	<u>2,516,567</u>	<u>291,972</u>	<u>17,264</u>
Accumulated Project Revenues:				
Tax Increments	3,062,093	1,132,708	318,344	-
Minimum Tax Agreements	-	69,845	-	-
Intergovernmental Grants and Aids	239,640	257,303	1,612	-
Interest on Investments	17,650	-	-	-
Sale of City Property	315,440	138,575	-	-
Other	828,220	22,197	-	-
Transfers In	-	403,538	-	-
Total Project Revenues	<u>4,463,043</u>	<u>2,024,166</u>	<u>319,956</u>	<u>-</u>
Future Project Revenues Necessary to Recover Project Costs to Date	<u>\$ (1,075,507)</u>	<u>\$ 492,401</u>	<u>\$ (27,984)</u>	<u>\$ 17,264</u>

The preceding summaries of transactions are reconciled to the fund balances in TID districts at December 31, 2017 as follows:

	TID #5	TID #6	TID #7	TID #8
Outstanding Long-Term Debt Payable from TID Funds at December 31, 2017	\$ -	\$ 368,911	\$ -	\$ -
Excess (Unrecovered Costs) Above	<u>1,075,507</u>	<u>(492,401)</u>	<u>27,984</u>	<u>(17,264)</u>
Fund Balances (Deficits) at December 31, 2017	<u>\$ 1,075,507</u>	<u>\$ (123,490)</u>	<u>\$ 27,984</u>	<u>\$ (17,264)</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

During the fiscal reporting period January 1, 2017 through December 31, 2017, the WRS recognized \$111,258 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.80%	6.80%
Executives and Elected Officials	6.80%	6.80%
Protective with Social Security	6.80%	11.20%
Protective without Social Security	6.80%	15.10%

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	10.0%
2008	6.6	-
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

At December 31, 2017, the City reported a liability of \$83,343 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2016, the City's proportion was 0.01011159 percent, which was an increase of 0.00023895 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$215,488. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (262,382)
Changes of Assumptions	414,858	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	119,192	-
Difference Between Proportionate Share of Actual Employer Contributions	3,111	-
City Contributions Subsequent to the Measurement Date	111,258	-
Total	<u>\$ 648,419</u>	<u>\$ (262,382)</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

\$111,258 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2017	\$ 111,513
2018	111,513
2019	76,424
2020	(24,814)
2021	143
Thereafter	-

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

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age
Amortization Period:	30-Year Closed
Asset Valuation Method:	5-Year Smoothed Value
Long-Term Expected Rate of Return:	7.20%
Discount Rate:	7.20%
Inflation:	2.0% to 2.7% - approximate
Salary Increases:	3.2% to 8.8% including inflation
Investment Rate of Return - Retired	5.0%
Investment Rate of Return - Active Post-Retirement	5.0%
Investment Rate of Return - Active Pre-Retirement	7.2%
Mortality:	WRS experience projected to 2017 with scale BB

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Core Asset Allocation</u>		<u>Variable Asset Allocation</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	21.0%	5.3%	70.0%	5.3%
International Equity	23.0%	5.7%	30.0%	5.7%
Fixed Income	36.0%	1.7%	N/A	N/A
Inflation Sensitive Assets	20.0%	2.3%	N/A	N/A
Real Estate	7.0%	4.2%	N/A	N/A
Private Equity/Debt	7.0%	6.9%	N/A	N/A
Multi-Asset	6.0%	3.9%	N/A	N/A
Cash	-20.0%	0.9%	N/A	N/A
Totals	<u>100%</u>		<u>100%</u>	

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

**CITY OF AMERY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,096,439	\$ 83,343	\$ (696,786)

B. Fire Department Retirement Fund

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

The Plan is a non-qualified plan as defined by the IRS and is funded by annual contributions from the City as determined annually by the City Council. The City contributed \$8,000 to the plan for the 2017 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, 2017 was \$105,345.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Vacation, Sick Leave and Compensatory Time Off Liabilities

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

Liabilities for accumulated vacation, sick leave and compensatory time are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The estimated liabilities for unused vacation, sick leave and compensatory time payable from the general fund on a pay-as-you-go basis at December 31, 2017 were \$318,496. The estimated liabilities in the proprietary funds at that date were \$91,165.

D. Participation in Biosolids Facility

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Landfill Postclosure Care Costs

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

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

Future costs to be paid by the City at December 31, 2017 have been estimated by an outside consultant at \$676,040. This amount is reflected as a liability in the City's government-wide financial statements.

F. Golf Club

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

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

At December 31, 2017, the City's outstanding debt subject to collection from the Golf Club was \$287,166 with the final payment due on January 31, 2024.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

G. Conduit Debt

The City was a party to a "joint powers and parity agreement" in 2011 among the City of Amery, the Village of Luck, the Town of Black Brook and the Town of Lincoln (collectively referred to as the Municipalities), Amery Regional Medical Center, Inc. (the Obligor) and Bremer Bank, a national banking association (the Lender) for the purpose of the issuance of \$37.8 million of health care facilities revenue bonds by the Municipalities to the Lender in March 2011 with the proceeds therefrom to be used by the Obligor for capital improvements and debt refinancing. Bonds issued by the City totaled \$8.5 million. The bonds are subject to repayment solely from payments received by the Lender from the Obligor in accordance with underlying mortgage assignments and related agreements. The bonds are special limited obligations of the Municipalities and do not constitute a moral or general obligation of the Municipalities. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance of the collective debt was \$25,738,000 at December 31, 2017 per audited financial statements of the Obligor.

H. Risk Management

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

I. Subsequent Event

Subsequent to year end the City obtained a state trust fund loan to finance the purchase of a new fire truck. The loan accrues interest at 3.47% and are payable annually through March 15, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

CITY OF AMERY, WISCONSIN
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,566,350	\$ 1,566,350	\$ 1,553,475	\$ (12,875)
Special Assessments	2,531	2,531	2,885	354
Intergovernmental	837,373	837,373	831,884	(5,489)
Licenses and Permits	48,380	48,380	53,096	4,716
Fines and Forfeits	54,400	54,400	41,732	(12,668)
Public Charges for Services	199,105	199,105	211,156	12,051
Intergovernmental Charges for Services	209,500	209,500	200,094	(9,406)
Miscellaneous:				
Interest	9,742	9,742	48,245	38,503
Rent	101,320	101,320	104,844	3,524
Sale of Property	3,000	3,000	1,150	(1,850)
Donations	750	750	27,400	26,650
Other	46,082	46,082	22,584	(23,498)
Total Revenues	3,078,533	3,078,533	3,098,545	20,012
EXPENDITURES				
General Government	638,192	638,192	781,502	(143,310)
Public Safety	1,068,067	1,068,067	1,084,390	(16,323)
Public Works	855,198	855,198	843,137	12,061
Health and Human Services	223	223	386	(163)
Culture, Recreation, and Education	91,660	91,660	150,769	(59,109)
Conservation and Development	13,300	13,300	15,870	(2,570)
Total Expenditures	2,666,640	2,666,640	2,876,054	(209,414)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	411,893	411,893	222,491	(189,402)
OTHER FINANCING SOURCES (USES)				
Transfers In	88,306	88,306	81,186	(7,120)
Transfers Out	(500,199)	(500,199)	(500,199)	-
Total Other Financing Sources (Uses)	(411,893)	(411,893)	(419,013)	(7,120)
NET CHANGE IN FUND BALANCE	-	-	(196,522)	(196,522)
Fund Balance - Beginning of Year	986,356	986,356	986,356	-
FUND BALANCE - END OF YEAR	\$ 986,356	\$ 986,356	\$ 789,834	\$ (196,522)

See Notes to Required Supplementary Information

SCHEDULE 2

CITY OF AMERY, WISCONSIN
 LIBRARY FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 193,046	\$ 193,046	\$ 193,046	\$ -
Intergovernmental	172,784	172,784	174,803	2,019
Miscellaneous:				
Interest	-	-	1	1
Donations	-	-	16,214	16,214
Other	2,494	2,494	9,755	7,261
Total Revenues	368,324	368,324	393,819	25,495
EXPENDITURES				
Culture, Recreation, and Education	355,855	355,855	367,149	(11,294)
NET CHANGE IN FUND BALANCES	12,469	12,469	26,670	14,201
Fund Balance - Beginning of Year	169,175	169,175	169,175	-
FUND BALANCE - END OF YEAR	<u>\$ 181,644</u>	<u>\$ 181,644</u>	<u>\$ 195,845</u>	<u>\$ 14,201</u>

CITY OF AMERY, WISCONSIN
 SCHEDULE OF PROPORTIONATE SHARE OF
 WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY
 LAST TEN MEASUREMENT PERIODS
 YEAR ENDED DECEMBER 31, 2017

	Measurement Date		
	December 31,		
	2015	2016	2017
City's proportion of the net pension liability (asset)	0.01003162%	0.00987264%	0.98726400%
City's proportionate share of the net pension liability (asset)	\$ (246,404)	\$ 160,428	\$ 83,343
City's covered payroll	\$ 1,182,104	\$ 1,226,408	\$ 1,369,399
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-20.84%	13.08%	6.09%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%

The schedule is presented prospectively since implementation.

**CITY OF AMERY, WISCONSIN
 SCHEDULE OF CONTRIBUTIONS TO
 WISCONSIN RETIREMENT SYSTEM PENSION PLAN
 LAST TEN FISCAL YEARS
 YEAR ENDED DECEMBER 31, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 95,001	\$ 105,885	\$ 111,258
Contributions in Relation to the Contractually Required Contributions	(95,001)	(105,885)	(111,258)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 City's Covered Payroll	 \$ 1,226,408	 \$ 1,369,399	 \$ 1,368,589
 Contributions as a Percentage of Covered Payroll	 7.75%	 7.73%	 8.13%

The schedule is presented prospectively since implementation.

CITY OF AMERY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017

BUDGETARY INFORMATION

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

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

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

EXCESS OF EXPENDITURES OVER BUDGET

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

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

**CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	Special Revenue Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	Community Micro - Loan Fund	Tax Incremental District #7 Fund	Tax Incremental District #8 Fund	Total Capital Projects Funds	
ASSETS					
Treasurer's Cash and Investments	\$ 21,612	\$ 27,984	\$ (2,500)	\$ 25,484	\$ 47,096
Taxes Receivable	-	51,785	6,939	58,724	58,724
Long-Term Receivables	16,822	-	-	-	16,822
Total Assets	<u>\$ 38,434</u>	<u>\$ 79,769</u>	<u>\$ 4,439</u>	<u>\$ 84,208</u>	<u>\$ 122,642</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Due Other Funds	\$ -	\$ -	\$ 14,764	\$ 14,764	\$ 14,764
Deferred Inflows of Resources:					
Succeeding Year's Property Taxes	-	51,785	6,939	58,724	58,724
Unavailable Revenue - Long-Term Receivables	16,822	-	-	-	16,822
Total Inflows of Resources	16,822	51,785	6,939	58,724	75,546
Fund Balances:					
Restricted	21,612	-	-	-	21,612
Unassigned	-	27,984	(17,264)	10,720	10,720
Total Fund Balances	<u>21,612</u>	<u>27,984</u>	<u>(17,264)</u>	<u>10,720</u>	<u>32,332</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 38,434</u>	<u>\$ 79,769</u>	<u>\$ 4,439</u>	<u>\$ 84,208</u>	<u>\$ 122,642</u>

**CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017**

	Special Revenue Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	Community Micro - Loan Fund	Tax Incremental District #7 Fund	Tax Incremental District #8 Fund	Total Capital Projects Funds	
REVENUES					
Taxes	\$ -	\$ 53,416	\$ -	\$ 53,416	\$ 53,416
Intergovernmental	-	110	-	110	110
Miscellaneous:					
Interest	2	-	-	-	2
Loan Repayments	4,795	-	-	-	4,795
Total Revenues	4,797	53,526	-	53,526	58,323
EXPENDITURES					
Public Works	-	-	2,985	2,985	2,985
Conservation and Development	5,000	11,478	5,388	16,866	21,866
Total Expenditures	5,000	11,478	8,373	19,851	24,851
NET CHANGE IN FUND BALANCES	(203)	42,048	(8,373)	33,675	33,472
Fund Balance - Beginning of Year	21,815	(14,064)	(8,891)	(22,955)	(1,140)
FUND BALANCE - END OF YEAR	<u>\$ 21,612</u>	<u>\$ 27,984</u>	<u>\$ (17,264)</u>	<u>\$ 10,720</u>	<u>\$ 32,332</u>

SCHEDULE B-1

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)**

	2017	2016
ASSETS		
Treasurer's Cash and Investments	\$ 639,364	\$ 774,186
Land Held for Resale	250,780	250,780
Taxes Receivable:		
Current Tax Roll	1,188,553	1,271,694
Delinquent Personal Property Taxes Held by Village	27,363	24,854
Special Assessments Receivable	31,975	33,663
Accounts Receivable	106,542	105,321
Due from Other Governmental Units	1,440	-
Due from Other Funds	222,339	204,838
Prepayments	19,490	-
Advances to Other Funds	3,740	17,804
	<u>\$ 2,491,586</u>	<u>\$ 2,683,140</u>
Total Assets		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Vouchers and Accounts Payable	\$ 94,725	\$ 82,397
Payroll Withholdings	65,418	63,316
Due to Other Governmental Units	14,484	14,061
Due to Other Funds	-	1,834
Due to Fiduciary Funds	8,000	-
Special Deposits	21,091	21,091
Total Liabilities	<u>203,718</u>	<u>182,699</u>
Deferred Inflows of Resources:		
Tax Roll Items:		
General Property Taxes	1,463,594	1,476,357
Other Taxes	19	19
Unavailable Revenue - Special Assessments and Charges	2,446	4,046
Unavailable Revenue - Special Assessments	31,975	33,663
Total Deferred Inflows of Resources	<u>1,498,034</u>	<u>1,514,085</u>
Fund Balances:		
Nonspendable	301,373	293,438
Unassigned	488,461	692,918
Total Fund Balance	<u>789,834</u>	<u>986,356</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,491,586</u>	<u>\$ 2,683,140</u>

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017			Variance with Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
TAXES					
General Property Taxes	\$ 1,478,850	\$ 1,478,850	\$ 1,476,357	\$ (2,493)	\$ 1,531,687
Mobile Home Fees	34,000	34,000	29,052	(4,948)	28,251
Managed Forest Land Taxes	-	-	19	19	19
Public Accommodation Taxes	16,500	16,500	9,980	(6,520)	12,052
Payment in Lieu of Taxes	37,000	37,000	37,748	748	36,760
Interest on Taxes	-	-	319	319	10,514
Total Taxes	1,566,350	1,566,350	1,553,475	(12,875)	1,619,283
SPECIAL ASSESSMENTS					
Street Improvement Projects	2,531	2,531	2,885	354	3,064
INTERGOVERNMENTAL					
State Shared Taxes	608,307	608,307	582,971	(25,336)	580,856
Fire Insurance Taxes	7,700	7,700	8,563	863	8,124
Exempt Computer Aid	4,500	4,500	6,768	2,268	8,459
State General Transportation Aid	194,866	194,866	194,444	(422)	196,172
State Aid - MSIP	-	-	-	-	12,939
State Aid - Police Training	1,600	1,600	5,406	3,806	1,440
State Aid - Ambulance	20,000	20,000	25,472	5,472	22,490
State Aid - Tank Inspections	400	400	1,413	1,013	3,020
State Aid in Lieu of Taxes - Conservation	-	-	730	730	721
State Aid - Other	-	-	28	28	18
County - Police Reimbursement	-	-	6,089	6,089	750
Total Intergovernmental	837,373	837,373	831,884	(5,489)	834,989
LICENSES AND PERMITS					
Licenses:					
Liquor and Malt Beverage	8,550	8,550	9,040	490	8,589
Operators	2,750	2,750	2,170	(580)	2,750
Cigarette	600	600	550	(50)	600
Trailer Park	3,225	3,225	1,296	(1,929)	-
Cable Television	13,000	13,000	12,886	(114)	12,597
Other	3,255	3,255	2,179	(1,076)	2,518
Permits:					
Building	10,700	10,700	17,700	7,000	10,614
Zoning	4,550	4,550	5,805	1,255	1,455
Park	1,000	1,000	840	(160)	970
Other	750	750	630	(120)	710
Total Licenses and Permits	48,380	48,380	53,096	4,716	40,803

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2016 Actual
REVENUES (CONTINUED)					
FINES AND FORFEITS					
Law and Ordinance Violations	\$ 54,400	\$ 54,400	\$ 41,732	\$ (12,668)	\$ 39,547
Total Fines and Forfeits	54,400	54,400	41,732	(12,668)	39,547
PUBLIC CHARGES FOR SERVICES					
General Government:					
Clerk's Fees	10,725	10,725	4,214	(6,511)	11,061
Public Safety:					
Police Fees	5,975	5,975	3,902	(2,073)	8,816
Fire Protection Fees	1,600	1,600	1,803	203	8,854
Public Works:					
Transportation Facilities:					
Highway Maintenance and Construction	13,683	13,683	10,839	(2,844)	12,378
Airport	30,000	30,000	36,696	6,696	32,555
Sanitation:					
Refuse and Recycling	123,800	123,800	143,981	20,181	142,227
Landfill	7,222	7,222	6,331	(891)	5,992
Weed and Nuisance Control	600	600	135	(465)	138
Culture, Recreation and Education:					
Parks	5,500	5,500	3,255	(2,245)	3,366
Total Public Charges for Services	199,105	199,105	211,156	12,051	225,387
INTERGOVERNMENTAL CHARGES FOR SERVICES					
General Government:					
Department Administrative Cost Reimbursements	12,500	12,500	12,500	-	12,500
Utility Office Space Rental	18,000	18,000	18,000	-	18,000
Public Safety:					
Fire Protection	170,000	170,000	160,594	(9,406)	162,865
Dam	3,000	3,000	3,000	-	4,429
Public Works:					
Transportation Facilities:					
Utility Equipment Rental	6,000	6,000	6,000	-	6,000
Total Intergovernmental Charges for Services	209,500	209,500	200,094	(9,406)	203,794
MISCELLANEOUS					
Interest:					
General Investments	8,742	8,742	47,084	38,342	13,429
Special Assessments	1,000	1,000	1,161	161	701
Rent	101,320	101,320	104,844	3,524	101,596
Sale of City Property	3,000	3,000	1,150	(1,850)	686
Donations	750	750	27,400	26,650	32,930
Other:					
Insurance Recoveries and Dividends	-	-	2,382	2,382	-
Other Miscellaneous	46,082	46,082	20,202	(25,880)	11,308
Total Miscellaneous	160,894	160,894	204,223	43,329	160,650
Total Revenues	3,078,533	3,078,533	3,098,545	20,012	3,127,517

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017					2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget		
EXPENDITURES						
GENERAL GOVERNMENT						
Council	\$ 25,777	\$ 25,777	\$ 27,637	\$ (1,860)	\$ 26,179	
Municipal Court	44,194	44,194	43,590	604	41,171	
Legal Fees	10,000	10,000	39,871	(29,871)	18,768	
Municipal Code	-	-	72	(72)	-	
Mayor	12,389	12,389	10,933	1,456	10,344	
Clerk-Treasurer	294,449	294,449	413,839	(119,390)	307,129	
Elections	7,825	7,825	17,159	(9,334)	17,415	
Special Accounting and Auditing	10,300	10,300	9,300	1,000	10,350	
Assessment of Property	27,475	27,475	29,273	(1,798)	31,435	
City Hall	34,750	34,750	31,918	2,832	32,436	
Illegal and Uncollectible Taxes	-	-	22,287	(22,287)	-	
Property and Liability Insurance	121,000	121,000	126,607	(5,607)	120,630	
Unemployment Expense	500	500	546	(46)	4,963	
Other	2,950	2,950	6,158	(3,208)	2,636	
Outlay:						
City Hall	46,583	46,583	2,312	44,271	1,025	
Total General Government	638,192	638,192	781,502	(143,310)	624,581	
PUBLIC SAFETY						
Police Department	837,228	837,228	855,850	(18,622)	817,294	
Fire Department	171,837	171,837	161,128	10,709	166,107	
Fire Department Retirement Trust Fund Payment	8,000	8,000	8,000	-	8,000	
Ambulance Service	37,934	37,934	37,895	39	37,921	
Building Inspection	8,950	8,950	9,606	(656)	8,491	
Tank Inspections	-	-	739	(739)	9,178	
Dams	500	500	3,284	(2,784)	3,477	
Civil Defense	138	138	138	-	138	
Outlay:						
Police Department:						
Capital Equipment	1,200	1,200	7,584	(6,384)	1,000	
Fire Department	2,280	2,280	166	2,114	2,248	
Total Public Safety	1,068,067	1,068,067	1,084,390	(16,323)	1,053,854	

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
EXPENDITURES (CONTINUED)					
PUBLIC WORKS					
Transportation:					
Public Works Wages and Fringe Benefits	\$ 333,796	\$ 333,796	\$ 220,957	\$ 112,839	\$ 378,919
Safety	3,200	3,200	4,525	(1,325)	6,376
Machinery and Equipment	20,500	20,500	20,569	(69)	16,844
Buildings and Grounds	27,800	27,800	20,103	7,697	24,532
Street Maintenance	155,200	155,200	211,387	(56,187)	147,273
Snow and Ice Control	34,000	34,000	33,240	760	18,112
Traffic Control	3,050	3,050	2,533	517	2,711
Bridges	700	700	23,731	(23,031)	3,081
Street Lighting	68,900	68,900	65,031	3,869	62,933
Sidewalks	-	-	-	-	450
Storm Sewers	1,850	1,850	15,702	(13,852)	417
Airport	16,602	16,602	26,647	(10,045)	34,630
Other	2,100	2,100	2,301	(201)	253
Outlay:					
Machinery and Equipment	25,000	25,000	32,234	(7,234)	-
Airport	-	-	1,847	(1,847)	-
Sanitation:					
Refuse and Garbage Collection	142,000	142,000	142,528	(528)	141,762
Landfill	20,500	20,500	19,802	698	17,719
Total Public Works	<u>855,198</u>	<u>855,198</u>	<u>843,137</u>	<u>12,061</u>	<u>856,012</u>
HEALTH AND HUMAN SERVICES					
Cemetery	<u>223</u>	<u>223</u>	<u>386</u>	<u>(163)</u>	<u>375</u>
CULTURE, RECREATION AND EDUCATION					
Community Center	24,560	24,560	25,323	(763)	29,522
Parks	39,300	39,300	80,080	(40,780)	22,047
Recreation Programs and Events	10,100	10,100	21,799	(11,699)	7,394
Skating Rink	5,000	5,000	6,096	(1,096)	-
Cable Television	9,200	9,200	2,465	6,735	6,890
Other	3,500	3,500	8,332	(4,832)	1,845
Outlay:					
Parks	-	-	6,674	(6,674)	59,221
Total Culture, Recreation and Education	<u>91,660</u>	<u>91,660</u>	<u>150,769</u>	<u>(59,109)</u>	<u>126,919</u>
CONSERVATION AND DEVELOPMENT					
Economic Development	-	-	-	-	20,600
Advertising and Promotion	4,950	4,950	8,880	(3,930)	18,347
Community Planning	350	350	923	(573)	180
Planning Office	8,000	8,000	6,067	1,933	23,894
Other	-	-	-	-	215
Outlay:					
Industrial Park	-	-	-	-	4,827
Total Conservation and Development	<u>13,300</u>	<u>13,300</u>	<u>15,870</u>	<u>(2,570)</u>	<u>68,063</u>
Total Expenditures	<u>2,666,640</u>	<u>2,666,640</u>	<u>2,876,054</u>	<u>(209,414)</u>	<u>2,729,804</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, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017			Variance with Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES	\$ 411,893	\$ 411,893	\$ 222,491	\$ (189,402)	\$ 397,713
OTHER FINANCING SOURCES (USES)					
Transfers In	88,306	88,306	81,186	(7,120)	92,726
Transfers Out	(500,199)	(500,199)	(500,199)	-	(485,410)
Total Other Financing Sources (Uses)	(411,893)	(411,893)	(419,013)	(7,120)	(392,684)
NET CHANGE IN FUND BALANCE	-	-	(196,522)	(196,522)	5,029
Fund Balance - Beginning of Year	986,356	986,356	986,356	-	981,327
FUND BALANCE - END OF YEAR	<u>\$ 986,356</u>	<u>\$ 986,356</u>	<u>\$ 789,834</u>	<u>\$ (196,522)</u>	<u>\$ 986,356</u>

CITY OF AMERY, WISCONSIN
 DEBT SERVICE FUNDS
 DETAILED BALANCE SHEET
 DECEMBER 31, 2017

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

**CITY OF AMERY, WISCONSIN
DEBT SERVICE FUNDS
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017**

	General Long-Term Debt Redemption Fund		Library \$440,000	Totals
	General City	TID #6 Debt	G.O. Promissory Notes	
EXPENDITURES				
Debt Service:				
Principal Retirement	\$ 336,023	\$ 40,305	\$ -	\$ 376,328
Principal Payments on Refinanced Debt	-	-	25,000	25,000
Interest and Fiscal Charges	97,276	12,981	1,900	112,157
Total Expenditures	<u>433,299</u>	<u>53,286</u>	<u>26,900</u>	<u>513,485</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(433,299)	(53,286)	(26,900)	(513,485)
OTHER FINANCING SOURCES (USES)				
Transfers In	473,299	93,286	26,900	593,485
Payment to Refunding Bond Escrow	(40,000)	(40,000)	-	(80,000)
Total Other Financing Sources (Uses)	<u>433,299</u>	<u>53,286</u>	<u>26,900</u>	<u>513,485</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balance - Beginning of Year	4,876	(22,267)	4,943	(12,448)
FUND BALANCE - END OF YEAR	<u>\$ 4,876</u>	<u>\$ (22,267)</u>	<u>\$ 4,943</u>	<u>\$ (12,448)</u>

**CITY OF AMERY, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)**

	2017	2016
ASSETS		
Current Assets:		
Cash and Investments	\$ 446,397	\$ 342,891
Customer Accounts Receivable	101,480	105,311
Accounts Receivable on Tax Roll	5,994	12,441
Inventories	25,515	24,565
Total Current Assets	579,386	485,208
Capital Assets:		
Utility Plant in Service	4,423,923	4,423,923
Less Accumulated Depreciation	1,847,023	1,742,357
Total Capital Assets	2,576,900	2,681,566
Total Assets	3,156,286	3,166,774
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	32,421	86,231
LIABILITIES		
Current Liabilities:		
Accounts Payable	5,526	3,071
Accrued Interest Payable	2,900	3,325
Current Portion of Long-Term Debt:		
General Obligation Bonds	85,000	85,000
Accrued Compensated Absences	6,225	5,653
Total Current Liabilities	99,651	97,049
Long-Term Liabilities (Net of Current Portion):		
General Obligation Bonds	495,000	580,000
Unamortized Debt Premium	13,672	15,381
Accrued Compensated Absences	8,185	15,836
WRS Pension Liability	4,167	31,981
Total Long-Term Liabilities	521,024	643,198
Total Liabilities	620,675	740,247
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	13,119	37,477
NET POSITION		
Net Investment in Capital Assets	1,983,228	2,001,185
Unrestricted	571,685	474,096
Total Net Position	\$ 2,554,913	\$ 2,475,281

SCHEDULE D-2

**CITY OF AMERY, WISCONSIN
 WATER UTILITY ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2017
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017	2016
OPERATING REVENUES:		
Sales of Water:		
Residential	\$ 137,114	\$ 138,466
Commercial	53,126	52,604
Industrial	22,324	22,926
Public Authorities	20,736	21,821
Multifamily Residential	31,753	31,916
Private Fire Protection	8,064	7,980
Public Fire Protection	147,195	145,707
Total Sales of Water	420,312	421,420
Other Operating Revenues:		
Forfeited Discounts	689	619
Meter Use Charge to Sewer Utility	19,651	20,346
Miscellaneous Operating Revenues	1,918	3,188
Total Other Operating Revenues	22,258	24,153
Total Operating Revenues	442,570	445,573
OPERATING EXPENSES		
Operation and Maintenance	166,250	222,446
Depreciation	104,666	104,643
Total Operating Expenses	270,916	327,089
OPERATING INCOME	171,654	118,484
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	544	160
Interest Expense	(13,089)	(34,906)
Amortization of Debt Premium	1,709	1,709
Total Nonoperating Revenues (Expenses)	(10,836)	(33,037)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	160,818	85,447
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Transfer to General Fund - Property Tax Equivalent	(81,186)	(92,726)
CHANGE IN NET POSITION	79,632	(7,279)
Net Position - Beginning of Year	2,475,281	2,482,560
NET POSITION - END OF YEAR	\$ 2,554,913	\$ 2,475,281

**CITY OF AMERY, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 286,002	\$ 274,045
Cash Received for Public Fire Protection	147,195	145,707
Cash Received for Sewer Share of Meter Related Expenses	19,651	20,346
Cash Payments to Suppliers for Goods and Services	(95,811)	(94,724)
Cash Payments for Employee Services	<u>(74,375)</u>	<u>(110,277)</u>
Net Cash Provided by (Used for) Operating Activities	282,662	235,097
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers Out - Tax Equivalent	(81,186)	(92,726)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	-	(872)
Cash Received from Issuance of Debt	1,709	728,799
Principal Paid on Long-Term Debt	(85,000)	(791,443)
Interest Paid on Long-Term Debt	<u>(15,223)</u>	<u>(35,565)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	(98,514)	(99,081)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	<u>544</u>	<u>160</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	103,506	43,450
Cash and Cash Equivalents - Beginning of Year	<u>342,891</u>	<u>299,441</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 446,397</u>	<u>\$ 342,891</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 171,654	\$ 118,484
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation	104,666	104,643
Change in Pension Asset	-	13,177
Change in Pension Related Deferred Outflow	53,810	(72,847)
Change in Pension Liability	(27,814)	31,981
Change in Pension Related Deferred Inflow	(24,358)	37,477
(Increase) Decrease in Assets:		
Customer Accounts Receivable	3,831	(1,417)
Accounts Receivable on Tax Roll	6,447	(4,058)
Prepayments	-	5,208
Inventories	(950)	114
Increase (Decrease) in Liabilities:		
Accounts Payable	2,455	94
Accrued Compensated Absences	<u>(7,079)</u>	<u>2,241</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 282,662</u>	<u>\$ 235,097</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Balance Sheet:		
Cash and Investments	<u>\$ 446,397</u>	<u>\$ 342,891</u>

SCHEDULE D-4

**CITY OF AMERY, WISCONSIN
 WATER UTILITY ENTERPRISE FUND
 SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
 YEAR ENDED DECEMBER 31, 2017
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	<u>2017</u>	<u>2016</u>
SOURCE OF SUPPLY		
Maintenance of Source Plant	\$ 8,959	\$ 7,912
PUMPING		
Fuel or Power Purchased for Pumping	22,110	21,465
Operation Supplies and Expenses	82	1,856
Maintenance of Pumping Plant	157	142
Total Pumping	<u>22,349</u>	<u>23,463</u>
WATER TREATMENT		
Chemicals	13,562	16,384
Operation Supplies and Expenses	2,438	1,035
Maintenance of Water Treatment Plant	8	-
Total Water Treatment	<u>16,008</u>	<u>17,419</u>
TRANSMISSION AND DISTRIBUTION		
Operation Labor	30,678	49,595
Operation Supplies and Expenses	2,802	2,395
Maintenance of Distribution Reservoirs and Standpipes	7	-
Maintenance of Mains	15,391	3,979
Maintenance of Services	2,228	9,738
Maintenance of Meter	3,635	5,221
Maintenance of Hydrants	836	186
Maintenance of Other Plant	339	-
Total Transmission and Distribution	<u>55,916</u>	<u>71,114</u>
CUSTOMER ACCOUNTS		
Accounting and Collecting Labor	2,807	7,907
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	18,081	20,732
Office Supplies and Expenses	2,567	545
Outside Services Employed	4,700	5,609
Property Insurance	-	5,208
Employee Pensions and Benefits	15,730	34,284
Net Wisconsin Retirement System Pension Expense	1,638	9,788
Regulatory Commission Expenses	-	217
Miscellaneous General Expenses	14,912	17,691
Maintenance of General Plant	2,583	557
Total Administrative and General	<u>60,211</u>	<u>94,631</u>
Total Operation and Maintenance Expenses	<u>\$ 166,250</u>	<u>\$ 222,446</u>

SCHEDULE D-5

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)**

	2017	2016
ASSETS		
Current Assets:		
Cash and Investments	\$ 495,457	\$ 315,275
Customer Accounts Receivable	157,740	155,525
Accounts Receivable on Tax Roll	10,641	22,860
Inventories	-	3,436
Total Current Assets	663,838	497,096
Restricted Assets:		
Equipment Replacement Fund Investments	178,563	178,563
Capital Assets:		
Utility Plant in Service	4,981,535	4,990,003
Less Accumulated Depreciation	3,334,120	3,202,670
Net Capital Assets	1,647,415	1,787,333
Construction Work in Progress	20,483	-
Total Capital Assets	1,667,898	1,787,333
Other Assets:		
Special Assessments Receivable	19,792	35,000
Total Assets	2,530,091	2,497,992
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	77,810	143,837
LIABILITIES		
Current Liabilities:		
Accounts Payable	13,934	16,803
Current Portion of Long-Term Debt:		
Accrued Compensated Absences	16,016	21,402
Total Current Liabilities	29,950	38,205
Long-Term Liabilities (Net of Current Portion):		
Accrued Compensated Absences	60,739	59,949
WRS Pension Liability	10,001	7,807
Total Long-Term Liabilities	70,740	67,756
Total Liabilities	100,690	105,961
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	31,486	47,915
NET POSITION		
Net Investment in Capital Assets	1,667,898	1,787,333
Restricted for Equipment Replacement	178,563	178,563
Unrestricted	629,264	522,057
Total Net Position	\$ 2,475,725	\$ 2,487,953

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES:		
Sewerage Revenues:		
Residential	\$ 343,263	\$ 343,984
Commercial	136,015	134,765
Industrial	72,799	71,294
Public Authorities	45,043	51,089
Multifamily Residential	51,938	53,710
Total Sewerage Revenues	<u>649,058</u>	<u>654,842</u>
Other Operating Revenues		
Forfeited Discounts	4,119	2,813
Miscellaneous Operating Revenues	1,412	602
Total Other Operating Revenues	<u>5,531</u>	<u>3,415</u>
Total Operating Revenues	654,589	658,257
OPERATING EXPENSES		
Operation and Maintenance	512,928	471,588
Depreciation	153,889	154,087
Total Operating Expenses	<u>666,817</u>	<u>625,675</u>
OPERATING INCOME (LOSS)	(12,228)	32,582
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	<u>-</u>	<u>2,980</u>
CHANGE IN NET POSITION	(12,228)	35,562
Net Position - Beginning of Year	<u>2,487,953</u>	<u>2,452,391</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,475,725</u></u>	<u><u>\$ 2,487,953</u></u>

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 664,593	\$ 662,180
Cash Paid for Sewer Share of Meter Related Expenses	(21,403)	(20,652)
Cash Payments to Suppliers for Goods and Services	(249,755)	(262,547)
Cash Payments for Employee Services	(194,007)	(192,613)
Net Cash Provided by (Used for) Operating Activities	199,428	186,368
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	(34,454)	-
Cash Received from Customer Contributions	15,208	2,090
Net Cash Provided by (Used for) Capital and Related Financing Activities	(19,246)	2,090
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	-	2,980
NET CHANGE IN CASH AND CASH EQUIVALENTS	180,182	191,438
Cash and Cash Equivalents - Beginning of Year	493,838	302,400
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 674,020	\$ 493,838
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (12,228)	\$ 32,582
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	153,889	154,087
Net Change in Wisconsin Pension Asset	-	49,922
Net Change in Wisconsin Pension Deferred Outflow	66,027	(93,131)
Net Change in Wisconsin Pension Liability	2,194	7,807
Net Change in Wisconsin Pension Deferred Inflow	(16,429)	47,915
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(2,215)	1,690
Accounts Receivable on Tax Roll	12,219	2,233
Due from Other Governments		
Prepayments	-	7,812
Inventories	3,436	29
Increase (Decrease) in Liabilities:		
Accounts Payable	(2,869)	(33,597)
Accrued Compensated Absences	(4,596)	9,019
Net Cash Provided by (Used for) Operating Activities	\$ 199,428	\$ 186,368
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Statement of Net Position:		
Cash and Investments	\$ 495,457	\$ 315,275
Cash and Investments - Restricted	178,563	178,563
	674,020	493,838
Cash and Cash Equivalents	\$ 674,020	\$ 493,838

CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017	2016
OPERATION		
Supervision and Labor	\$ 134,550	\$ 137,347
Power and Fuel for Pumping	5,963	5,593
Power and Fuel for Aeration Equipment	48,957	49,240
Chemicals	8,892	3,627
Biosolids Facility Expenses	91,156	72,727
Supplies and Expenses	24,600	25,584
Transportation Expenses	5,401	4,727
Total Operation	319,519	298,845
MAINTENANCE		
Sewer Collection System	20,560	15,811
Collection System Pumping Equipment	2,239	5,831
Treatment and Disposal Plant Equipment	17,790	22,350
General Plant Structures and Equipment	13	254
Total Maintenance	40,602	44,246
CUSTOMER ACCOUNTING AND COLLECTION		
Billing, Accounting and Collection	10,527	10,362
Meter Expense Allocation	21,403	20,652
Total Customer Accounting and Collection	31,930	31,014
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	7,451	9,783
Office Supplies and Expenses	2,327	159
Outside Services Employed	4,700	5,357
Insurance Expenses	-	7,812
Employee Pensions and Benefits	36,883	44,140
Net Wisconsin Retirement System Pension Expense	51,792	12,513
Miscellaneous General Expenses	8,724	8,719
Rents	9,000	9,000
Total Administrative and General	120,877	97,483
Total Operation and Maintenance Expense	\$ 512,928	\$ 471,588