

CITY OF AMERY, WISCONSIN

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For The Year Ended December 31, 2005

CITY OF AMERY, WISCONSIN

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For The Year Ended December 31, 2005

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AND SUPPLEMENTARY INFORMATION
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Tracey & Thole, s.c.

certified public accountants

INDEPENDENT AUDITOR'S REPORT

To The City Council
City of Amery
Amery, Wisconsin

We have audited the accompanying 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, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's Council and management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amery, Wisconsin as of December 31, 2005, and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages i through xii and 40 through 42, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

April 20, 2006


TRACEY & THOLE, S.C.
Certified Public Accountants

CITY OF AMERY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended December 31, 2005

As management of the City of Amery, Wisconsin (City), we offer the readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ending December 31, 2005. Please consider this information in conjunction with the City's financial statements, which begin on page 2 following this narrative.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$8,101,017 (*net assets*). Of this amount, \$6,656,888 represented the City's investment in capital assets, net of related debt, \$591,452 was held for restricted purposes, and \$852,677 as unrestricted. The unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- During the fiscal year, the City's total net assets increased by \$1,130,808. Net assets related to the business-type activities of the City increased \$98,163, while net assets related to governmental activities increased \$1,032,645.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$645,455, an increase of \$341,370 from the previous year. This increase was primarily attributable to the excess of revenues over expenditures within the general fund in the amount of \$179,551, Brownsfield funds received related to prior years costs and transferred to the general fund in the amount of \$45,893, increases in debt service funds related to the new fire hall construction debt in the amount of \$86,446, and TIF #5 revenues exceeding expenditures and other uses by \$85,397.
- At the end of 2005, the unreserved, undesignated general fund balance was a negative \$57,570.
- The City's total long-term debt decreased by \$261,474 during the current fiscal year. The City borrowed \$305,000 in general obligation debt during the year to fund a fire truck and TIF district developers agreements in the amounts of \$280,000 and \$25,000, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

CITY OF AMERY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended December 31, 2005

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

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

The government-wide financial statements can be found beginning on page 2 of this report.

Fund Financial Statements

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

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

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

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

The basic governmental fund financial statements can be found beginning on page 4 of this report.

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

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

The basic proprietary fund financial statements can be found beginning on page 8 of this report.

CITY OF AMERY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended December 31, 2005

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

The basic fiduciary fund financial statements can be found beginning on page 11 of this report.

Notes to the Financial Statements

The notes to the basic financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 13 of this report.

Supplementary Information

In addition to the basic financial statement and accompanying notes, this report presents certain required supplementary information on the City's operating budget. Required supplementary information can be found beginning on page 40 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for the nonmajor governmental funds, individual fund statements for selected funds, a detailed schedule supporting the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities (Exhibit 4A) and various debt repayment schedules. This supplementary information section of the report begins on page 43.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$8,101,017 at the close of 2005. The largest portion of these net assets (82%) reflect the City's investment in capital assets, including land, land improvements, buildings, machinery and equipment, infrastructure, plant in service and construction in progress, net of related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. On the following page is a summary of the City's statement of net assets:

CITY OF AMERY, WISCONSIN

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2005**

**Condensed Statement of Net Assets
December 31, 2005 and 2004**

| | Governmental Activities | | Business-type Activities | | Totals | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 12/31/05 | 12/31/04 | 12/31/05 | 12/31/04 | 12/31/05 | 12/31/04 |
| Current and other assets | \$ 3,077,684 | \$ 2,262,274 | \$ 807,988 | \$ 904,397 | \$ 3,885,672 | \$ 3,166,671 |
| Capital assets | 5,818,224 | 5,574,639 | 6,281,784 | 6,410,285 | 12,100,008 | 11,984,924 |
| Total assets | <u>8,895,908</u> | <u>7,836,913</u> | <u>7,089,772</u> | <u>7,314,682</u> | <u>15,985,680</u> | <u>15,151,595</u> |
| Long-term debt outstanding | 3,290,836 | 3,362,584 | 2,373,699 | 2,563,425 | 5,664,535 | 5,926,009 |
| Other long-term obligations | 422,583 | 455,325 | 77,043 | 76,571 | 499,626 | 531,896 |
| Other liabilities | 1,699,091 | 1,568,251 | 21,411 | 155,230 | 1,720,502 | 1,723,481 |
| Total liabilities | <u>5,412,510</u> | <u>5,386,160</u> | <u>2,472,153</u> | <u>2,795,226</u> | <u>7,884,663</u> | <u>8,181,386</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 2,527,388 | 2,189,827 | 4,129,500 | 4,078,888 | 6,656,888 | 6,268,715 |
| Restricted | 449,926 | 391,217 | 141,526 | 137,945 | 591,452 | 529,162 |
| Unrestricted | 506,084 | (130,291) | 346,593 | 302,623 | 852,677 | 172,332 |
| Total net assets | <u>\$ 3,483,398</u> | <u>\$ 2,450,753</u> | <u>\$ 4,617,619</u> | <u>\$ 4,519,456</u> | <u>\$ 8,101,017</u> | <u>\$ 6,970,209</u> |

An additional portion of the City's net assets (\$591,452) represents resources that are subject to other restrictions as to how they may be used. The remaining \$852,677 of total net assets may be used to meet the City's ongoing obligations to its citizens and creditors. It is important to note that \$346,593 of these unrestricted net assets is related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities.

The condensed statement of changes in net assets presented on the following page shows that total net assets of the City increased \$1,130,808, or approximately 16.2%. The increase consisted of an increase in net assets related to governmental activities in the amount of \$1,032,645 and an increase in net assets related to business-type activities in the amount of \$98,163.

CITY OF AMERY, WISCONSIN

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2005**

The following is a summary of the changes in the City's net assets for the years ended December 31, 2005 and 2004:

**Condensed Statement of Changes in Net Assets
For The Years Ended December 31, 2005 and 2004**

| | Governmental Activities | | Business-type Activities | | Totals | |
|--|-------------------------|--------------------|--------------------------|-------------------|---------------------|-------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 385,162 | \$ 417,645 | \$ 969,234 | \$ 922,340 | \$ 1,354,396 | \$ 1,339,985 |
| Operating grants and contributions | 431,206 | 686,577 | | | 431,206 | 686,577 |
| Capital grants and contributions | 860,039 | | 71,038 | 527,616 | 931,077 | 527,616 |
| General revenues: | | | | | | |
| Property taxes | 1,296,324 | 1,262,532 | | | 1,296,324 | 1,262,532 |
| Other taxes | 263,285 | 490,206 | | | 263,285 | 490,206 |
| State and federal aids not restricted to specific programs | 627,015 | 628,590 | | | 627,015 | 628,590 |
| Other revenues | 74,085 | 58,209 | 12,796 | 10,407 | 86,881 | 68,616 |
| Total revenues | <u>3,937,116</u> | <u>3,543,759</u> | <u>1,053,068</u> | <u>1,460,363</u> | <u>4,990,184</u> | <u>5,004,122</u> |
| Expenses: | | | | | | |
| General government | 365,480 | 456,516 | | | 365,480 | 456,516 |
| Public safety | 919,553 | 1,043,091 | | | 919,553 | 1,043,091 |
| Transportation Facilities | 709,509 | 782,791 | | | 709,509 | 782,791 |
| Sanitation | 222,378 | 164,358 | | | 222,378 | 164,358 |
| Health and human services | 144 | 1,827 | | | 144 | 1,827 |
| Culture, recreation, and education | 420,915 | 411,748 | | | 420,915 | 411,748 |
| Conservation and development | 132,519 | 642,474 | | | 132,519 | 642,474 |
| Interest and fiscal charges | 133,973 | 137,805 | | | 133,973 | 137,805 |
| Water system | | | 340,114 | 332,381 | 340,114 | 332,381 |
| Sewage treatment and collection | | | 614,791 | 628,653 | 614,791 | 628,653 |
| Total expenses | <u>2,904,471</u> | <u>3,640,610</u> | <u>954,905</u> | <u>961,034</u> | <u>3,859,376</u> | <u>4,601,644</u> |
| Change in net assets | <u>\$ 1,032,645</u> | <u>\$ (96,851)</u> | <u>\$ 98,163</u> | <u>\$ 499,329</u> | <u>\$ 1,130,808</u> | <u>\$ 402,478</u> |

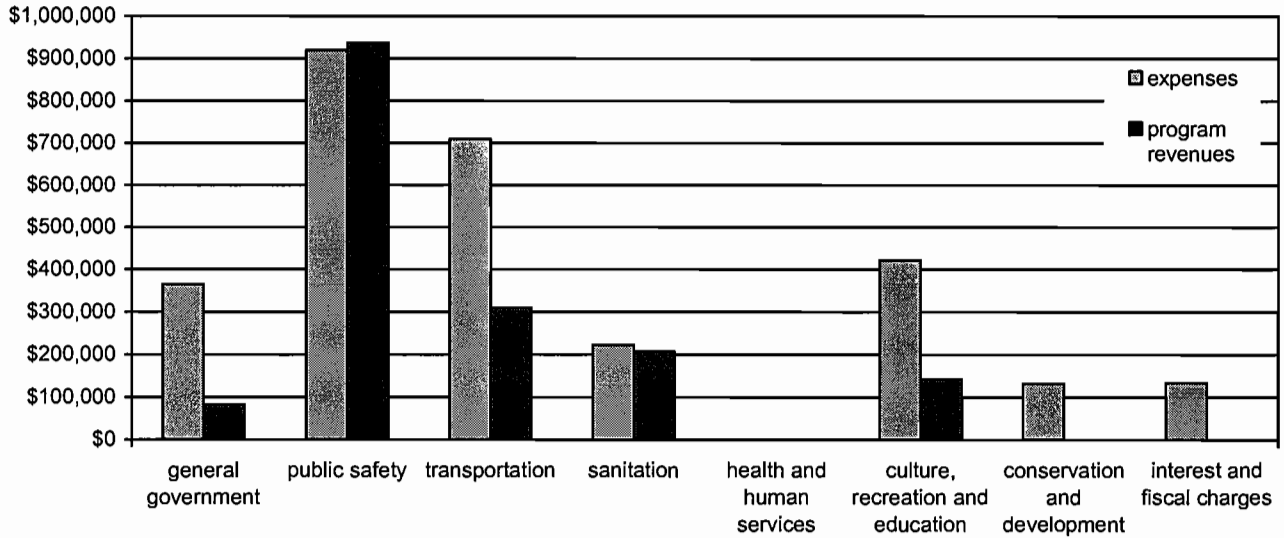
The increase in the net assets of governmental funds primarily consisted of capital grants and contributions for fire hall construction. The increase in net assets of the business-type activities primarily consisted of charges for services provided to customers during the year.

CITY OF AMERY, WISCONSIN

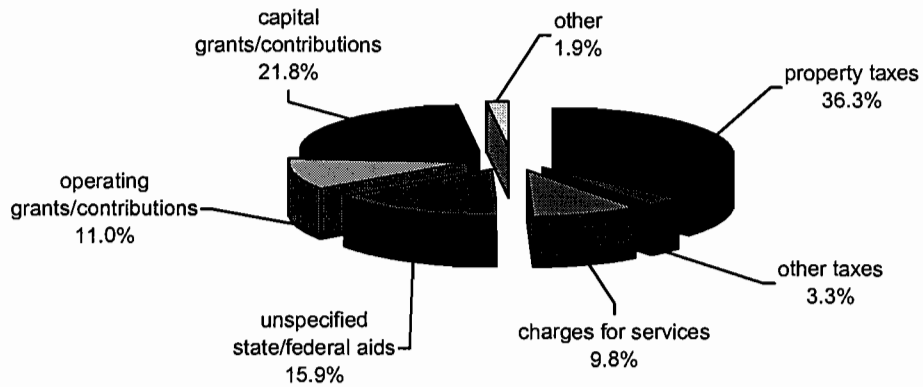
**MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2005**

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

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



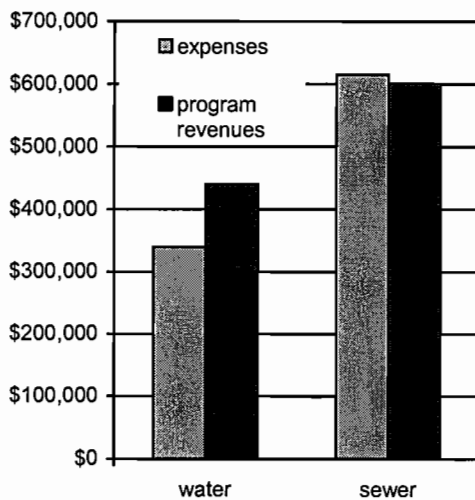
The charts draw data from the statement of activities. For governmental services the City is primarily dependent on property taxes (36.3%) and unspecified state and federal aids (15.9%).

CITY OF AMERY, WISCONSIN

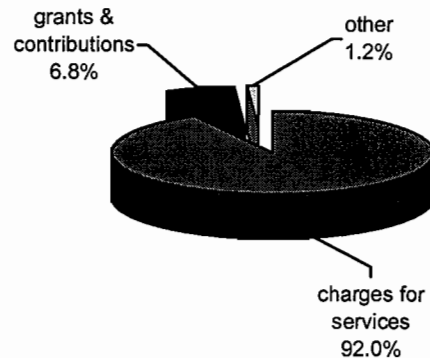
MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended December 31, 2005

In the case of business-type activities, the data shows a considerably different picture from that of governmental activities. Charges for services (92.0%) replace property taxes as the primary revenue. Grants and contributions consist primarily of water and sewer plant financed directly by developers and hook-up fees.

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



**Revenues by Source -
Business-type Activities**



FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

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

Governmental Funds

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

CITY OF AMERY, WISCONSIN

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2005**

As of December 31, 2005, the City's governmental funds reported a combined fund balance of \$645,455, an increase of \$341,370 over the previous year. The governmental funds comprising this balance are shown below:

| | Fund Balances at 12/31/05 | | | | Current Year Change |
|---|---------------------------|-------------------|--------------------|-------------------|------------------------|
| | Reserved | Designated | Undesignated | Total | |
| Major Funds: | | | | | |
| General fund | \$ 28,612 | \$ 117,917 | \$ (57,570) | \$ 88,959 | \$ 179,551 |
| Debt service fund: | | | | | |
| Fire hall construction debt | | 86,446 | | 86,446 | 86,446 |
| Nonmajor Funds: | | | | | |
| Special revenue funds: | | | | | |
| Landfill contaminatin and remediation fund | | 301,291 | | 301,291 | (46,256) |
| Library fund | | 57,381 | | 57,381 | 17,075 |
| CDBG revolving loan fund | | 23,598 | | 23,598 | 33,496 |
| Capital projects funds: | | | | | |
| Tax incremental district #5 | | 115,594 | | 115,594 | 85,397 |
| Tax incremental district #6 | | | (27,814) | (27,814) | (5,975) |
| District fire hall construction fund | | | | | (8,364) |
| | <u>\$ 28,612</u> | <u>\$ 702,227</u> | <u>\$ (85,384)</u> | <u>\$ 645,455</u> | <u>\$ 341,370</u> |

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

The general fund is the primary operating fund used to account for the governmental operations of the City. The general fund's total fund balance increased \$179,551 during the year. The total fund balance of \$88,959 consisted of \$28,612 reserved for delinquent taxes and interfund advances, \$117,917 designated for future expenditures and the remaining negative balance of \$57,570 reflected as unreserved/undesignated. The City's 2006 budget did not include any additional funding to finance the unreserved, undesignated negative fund balance of \$57,570 at December 31, 2005.

The debt service fund had a fund balance at December 31, 2005 of \$86,446. This balance represented excess funds received from fire department participating municipalities in excess of required debt service on the new fire hall debt. Remaining 2005 long-term debt maturities were funded with transfers from the general fund, landfill remediation fund and Tax Incremental District #5 fund in the amounts of \$346,534, \$26,416 and \$47,428, respectively.

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

CITY OF AMERY, WISCONSIN

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2005**

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in greater detail. As shown below, the net assets of the enterprise-type proprietary fund at the end of 2005 totaled \$4,617,619, up \$98,163 from the previous year.

**Condensed Statement of Changes in Net Assets for Enterprise Funds
For The Years Ended December 31, 2005 and 2004**

| | Water Utility | | Sewer Utility | | Total | |
|------------------------------------|---------------|------------|---------------|------------|------------|------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Operating revenues | \$ 369,886 | \$ 347,394 | \$ 599,348 | \$ 574,946 | \$ 969,234 | \$ 922,340 |
| Operating expenses: | | | | | | |
| Depreciation | 80,484 | 64,856 | 145,086 | 144,123 | 225,570 | 208,979 |
| Other | 223,480 | 247,499 | 421,379 | 431,549 | 644,859 | 679,048 |
| Operating income (loss) | 65,922 | 35,039 | 32,883 | (726) | 98,805 | 34,313 |
| Income (loss) before contributions | 30,592 | 15,429 | (3,467) | (43,716) | 27,125 | (28,287) |
| Capital contributions | 70,060 | 477,713 | 978 | 49,903 | 71,038 | 527,616 |
| Changes in net assets | 100,652 | 493,142 | (2,489) | 6,187 | 98,163 | 499,329 |
| Net assets at year end: | | | | | | |
| Invested in capital assets | 2,215,432 | 2,143,258 | 1,914,068 | 1,935,630 | 4,129,500 | 4,078,888 |
| Restricted | - | - | 141,526 | 137,945 | 141,526 | 137,945 |
| Unrestricted | 783,253 | 754,775 | (436,660) | (452,152) | 346,593 | 302,623 |
| Total | 2,998,685 | 2,898,033 | 1,618,934 | 1,621,423 | 4,617,619 | 4,519,456 |

The City's joint water and sewer utility enterprise fund reflected a combined income of \$98,805 from operations. The City raised the customer user rates effective July 1, 2004 to provide an improved return on the rate base and increase its working capital position.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2005 general fund budget was modified by the City Council to include funds available as of January 1, 2005 for police car purchases and machinery purchases in the amounts of \$7,226 and \$42,447, respectively. These funds available as of January 1, 2005 were applied to increase budgeted funds available for expenditure. As stated earlier, the City's general fund balance increased \$179,551 during 2005, primarily due to the excess of revenues over expenditures.

CITY OF AMERY, WISCONSIN

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2005**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2005 and 2004 was \$12,100,008 and \$11,984,924, respectively, (net of accumulated depreciation) as shown below:

**Capital Assets, Net of Accumulated Depreciation
December 31, 2005 and 2004**

| | Governmental Activities | | Business-type Activities | | Totals | |
|-----------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Not subject to depreciation: | | | | | | |
| Land and land rights | \$ 691,199 | \$ 746,699 | \$ 51,698 | \$ 44,779 | \$ 742,897 | \$ 791,478 |
| Construction work in progress | | 29,440 | | | - | 29,440 |
| Subject to depreciation: | | | | | | |
| Buildings and improvements | 2,563,971 | 2,574,004 | | | 2,563,971 | 2,574,004 |
| Land improvements | 1,300,107 | 1,285,807 | | | 1,300,107 | 1,285,807 |
| Equipment and vehicles | 1,587,878 | 1,176,888 | | | 1,587,878 | 1,176,888 |
| Infrastructure | 2,047,010 | 2,047,876 | | | 2,047,010 | 2,047,876 |
| Water system plant | | | 3,996,124 | 3,909,422 | 3,996,124 | 3,909,422 |
| Sewer plant and collection system | | | 4,687,685 | 4,686,487 | 4,687,685 | 4,686,487 |
| Subtotal | 8,190,165 | 7,860,714 | 8,735,507 | 8,640,688 | 16,925,672 | 16,501,402 |
| Accumulated depreciation | 2,371,941 | 2,286,075 | 2,453,723 | 2,230,403 | 4,825,664 | 4,516,478 |
| | <u>\$ 5,818,224</u> | <u>\$ 5,574,639</u> | <u>\$ 6,281,784</u> | <u>\$ 6,410,285</u> | <u>\$ 12,100,008</u> | <u>\$ 11,984,924</u> |

Some of the more significant additions to the City's capital assets during 2005 included:

- New Fire Truck \$276,238
- Land Improvements - Skate Park 63,136
- Infrastructure - Eldon Avenue 24,134

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

CITY OF AMERY, WISCONSIN

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2005**

Long-term Obligations

At December 31, 2005, the City had outstanding \$6,164,161 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-term Obligations
December 31, 2005 and 2004**

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Outstanding 12/31/05</u> | <u>Outstanding 12/31/04</u> | <u>% Change</u> |
|---|------------------------------------|-------------------------------------|---------------------------------|---------------------------------|---------------------|
| Long-term debt: | | | | | |
| General obligation debt: | | | | | |
| Notes | \$ 3,290,836 | \$ 910,000 | \$ 4,200,836 | \$ 4,339,732 | -3.2% |
| Mortgage Revenue Bonds | | 1,463,699 | 1,463,699 | 1,586,277 | -7.7% |
| Subtotal | <u>3,290,836</u> | <u>2,373,699</u> | <u>5,664,535</u> | <u>5,926,009</u> | -4.4% |
| Other long-term liabilities: | | | | | |
| Lease-purchase agreement | 11,328 | | 11,328 | 22,228 | -49.0% |
| Estimated employee leave | 209,641 | 77,043 | 286,684 | 277,696 | 3.2% |
| Unfunded Wisconsin Retirement System Liability | 13,519 | | 13,519 | 13,862 | -2.5% |
| Estimated Landfill Post closure Liability | 188,095 | | 188,095 | 218,110 | -13.8% |
| Total | <u>\$ 3,713,419</u> | <u>\$ 2,450,742</u> | <u>\$ 6,164,161</u> | <u>\$ 6,457,905</u> | |

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of the City outstanding at December 31, 2005 totaled \$4,200,836, approximately 46% of the maximum legal limit of \$9,099,215.

During 2005 the City issued new debt as shown below:

| <u>Type of Debt</u> | <u>Amount</u> | <u>Purpose</u> |
|-----------------------|---------------|-------------------------------|
| Bank promissory note | \$280,000 | Public safety fire truck |
| State trust fund loan | 25,000 | TID #6 developer's agreements |

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

CURRENTLY KNOWN FACTS

The 2006 budget adopted by the City of Amery Common Council authorized a local levy of \$1,317,608, an increase of \$21,283 over the 2005 adopted budget.

Beginning in 2005 the joint water and sewer utility enterprise fund charge for public fire protection was removed as a general fund expenditure on the tax roll and included as part of the utility quarterly customer charge for water service by the utility.

The City is attempting to make adjustments and decisions that will improve the financial condition of the general fund and still be in compliance with the State levy limit requirements.

CITY OF AMERY, WISCONSIN

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2005**

REQUESTS FOR INFORMATION

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

CITY OF AMERY, WISCONSIN

STATEMENT OF NET ASSETS

December 31, 2005

| | Primary Government | | | Component Unit Redevelopment Authority |
|---|----------------------------|-----------------------------|-----------------------------|--|
| | Governmental Activities | Business-type Activities | Total | |
| ASSETS | | | | |
| Cash and Investments | \$ 957,720 | \$ 151,256 | \$ 1,108,976 | \$ 154 |
| Taxes Receivable | 1,279,808 | 24,561 | 1,304,369 | |
| Accounts Receivable | 63,850 | 226,642 | 290,492 | |
| Due from Other Governmental Units | 35,388 | 27,292 | 62,680 | |
| Deferred Charges | | 7,343 | 7,343 | |
| Inventories | | 33,821 | 33,821 | |
| Special Assessments Receivable | 75,516 | | 75,516 | |
| Advance to Redevelopment Authority | 28,388 | | 28,388 | |
| Long-term Receivables | 637,014 | 195,547 | 832,561 | |
| Restricted Assets: | | | | |
| Cash and Investments | | 141,526 | 141,526 | |
| Capital Assets: | | | | |
| Capital Assets Not Being Depreciated | 691,199 | 51,698 | 742,897 | 226,355 |
| Capital Assets Being Depreciated | 7,498,966 | 8,683,809 | 16,182,775 | |
| Accumulated Depreciation | <u>(2,371,941)</u> | <u>(2,453,723)</u> | <u>(4,825,664)</u> | |
| Total Assets | <u>\$ 8,895,908</u> | <u>\$ 7,089,772</u> | <u>\$ 15,985,680</u> | <u>\$ 226,509</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 137,647 | \$ 10,834 | \$ 148,481 | |
| Accrued Payables | 58,196 | 10,577 | 68,773 | 3,780 |
| Due to Other Governments | 15,327 | | 15,327 | |
| Deferred Revenues | 1,479,502 | | 1,479,502 | |
| Special Deposits | 8,419 | | 8,419 | |
| Advance from City of Amery | | | | 28,388 |
| Long-term Liabilities: | | | | |
| Amounts Due Within One Year | 465,762 | 179,971 | 645,733 | |
| Amounts Due in More than One Year | <u>3,247,657</u> | <u>2,270,771</u> | <u>5,518,428</u> | <u>210,000</u> |
| Total Liabilities | <u>5,412,510</u> | <u>2,472,153</u> | <u>7,884,663</u> | <u>242,168</u> |
| NET ASSETS | | | | |
| Invested in Capital Assets, Net of Related Debt | 2,527,388 | 4,129,500 | 6,656,888 | |
| Restricted for: | | | | |
| Capital Improvements | 115,594 | | 115,594 | |
| Business Loan Program | 221,136 | | 221,136 | |
| Landfill Contamination | 113,196 | | 113,196 | |
| Plant Replacement | | 141,526 | 141,526 | |
| Unrestricted | <u>506,084</u> | <u>346,593</u> | <u>852,677</u> | <u>(15,659)</u> |
| Total Net Assets | <u>3,483,398</u> | <u>4,617,619</u> | <u>8,101,017</u> | <u>(15,659)</u> |
| Total Liabilities and Net Assets | <u>\$ 8,895,908</u> | <u>\$ 7,089,772</u> | <u>\$ 15,985,680</u> | <u>\$ 226,509</u> |

See accompanying notes to the basic financial statements

CITY OF AMERY, WISCONSIN
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2005

| Functions/Programs | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | | Component Unit Redevelopment Authority | |
|---|----------------------------|--|--|----------------------------|--|---------------------|
| Expenses | Charges For Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Primary Government: | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | \$ 81,535 | \$ - | \$ - | \$ (283,945) | \$ - | \$ (283,945) |
| Public Safety | 919,553 | 50,292 | 724,280 | 16,576 | 16,576 | 16,576 |
| Transportation | 709,509 | 194,097 | 103,659 | (400,604) | (400,604) | (400,604) |
| Sanitation | 222,378 | 77,330 | | (15,037) | (15,037) | (15,037) |
| Health and Human Services | 144 | | | (144) | (144) | (144) |
| Culture, Recreation and Education | 420,915 | 109,487 | 32,100 | (278,568) | (278,568) | (278,568) |
| Conservation and Development | 132,519 | 150 | | (132,369) | (132,369) | (132,369) |
| Interest and Fiscal Charges | 133,973 | | | (133,973) | (133,973) | (133,973) |
| Total Governmental Activities | <u>2,904,471</u> | <u>431,206</u> | <u>860,039</u> | <u>(1,228,064)</u> | <u>-</u> | <u>(1,094,091)</u> |
| Business-type Activities: | | | | | | |
| Water | 340,114 | | 70,060 | | 99,832 | 99,832 |
| Sewer | 614,791 | | 978 | | (14,465) | (14,465) |
| Total Business-type Activities | <u>954,905</u> | <u>-</u> | <u>71,038</u> | <u>-</u> | <u>85,367</u> | <u>85,367</u> |
| Total Primary Government | <u>\$ 3,859,376</u> | <u>\$ 431,206</u> | <u>\$ 931,077</u> | <u>(1,228,064)</u> | <u>85,367</u> | <u>(1,008,724)</u> |
| Component Unit: | | | | | | |
| Redevelopment Authority | <u>\$ 6,395</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>(9,270)</u> |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes, levied for general purposes | | | | 930,637 | 930,637 | 930,637 |
| Property taxes, levied for debt purposes | | | | 365,687 | 365,687 | 365,687 |
| Property taxes, levied for TIF districts | | | | 132,080 | 132,080 | 132,080 |
| Other taxes | | | | 131,205 | 131,205 | 131,205 |
| State/federal aids not restricted to specific functions | | | | 627,015 | 627,015 | 627,015 |
| Interest and investment earnings | | | | 18,266 | 12,796 | 31,062 |
| Rent | | | | 23,817 | 23,817 | 23,817 |
| Sales of property | | | | 4,900 | 4,900 | 4,900 |
| Miscellaneous | | | | 27,102 | 27,102 | 27,102 |
| Total General Revenues | | | | <u>2,260,709</u> | <u>12,796</u> | <u>2,273,505</u> |
| Change in Net Assets | | | | 1,032,645 | 98,163 | 1,130,808 |
| Net Assets - Beginning of Year (Note III.H.) | | | | 2,450,753 | 4,519,456 | 6,970,209 |
| Net Assets - End of Year | | | | <u>\$ 3,483,398</u> | <u>\$ 4,617,619</u> | <u>\$ 8,101,017</u> |

See accompanying notes to the basic financial statements

CITY OF AMERY, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2005

| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Other Governmental Funds</u> | <u>Totals</u> |
|--------------------------------------|-------------------------|----------------------------------|---|--------------------|
| ASSETS | | | | |
| Treasurer's Cash and Investments | \$ 361,460 | \$ 86,446 | \$ 509,814 | \$ 957,720 |
| Taxes Receivable | 947,011 | | 332,797 | 1,279,808 |
| Special Assessments Receivable | 75,516 | | | 75,516 |
| Accounts Receivable | 63,850 | | | 63,850 |
| Due from Governmental Units | 35,388 | | | 35,388 |
| Advance to Redevelopment Authority | 28,388 | | | 28,388 |
| Long-term Receivables | | 439,476 | 197,538 | 637,014 |
| Advances to Other Funds | 27,814 | | | 27,814 |
| | <u>27,814</u> | <u>439,476</u> | <u>197,538</u> | <u>637,014</u> |
| Total Assets | <u>\$1,539,427</u> | <u>\$ 525,922</u> | <u>\$1,040,149</u> | <u>\$3,105,498</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Vouchers and Accounts Payable | \$ 125,697 | \$ | \$ 11,950 | \$ 137,647 |
| Due Other Governmental Units | 15,327 | | | 15,327 |
| Deferred Revenues | 1,301,025 | 439,476 | 530,335 | 2,270,836 |
| Advances From Other Funds | | | 27,814 | 27,814 |
| Special Deposits | 8,419 | | | 8,419 |
| | <u>8,419</u> | <u>439,476</u> | <u>530,335</u> | <u>2,270,836</u> |
| Total Liabilities | <u>1,450,468</u> | <u>439,476</u> | <u>570,099</u> | <u>2,460,043</u> |
| Fund Balances: | | | | |
| Reserved | 28,612 | | | 28,612 |
| Unreserved: | | | | |
| Designated | 117,917 | 86,446 | 497,864 | 702,227 |
| Undesignated | (57,570) | | (27,814) | (85,384) |
| | <u>88,959</u> | <u>86,446</u> | <u>470,050</u> | <u>645,455</u> |
| Total Fund Balances | <u>88,959</u> | <u>86,446</u> | <u>470,050</u> | <u>645,455</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,539,427</u> | <u>\$ 525,922</u> | <u>\$ 1,040,149</u> | <u>\$3,105,498</u> |

See accompanying notes to the basic financial statements

CITY OF AMERY, WISCONSIN

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2005**

Total fund balances - governmental funds (Exhibit 3) **\$ 645,455**

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

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

| | | |
|----------------------------|--------------------|-----------|
| Land | \$ 691,199 | |
| Buildings and improvements | 2,563,971 | |
| Land improvements | 1,300,107 | |
| Equipment and vehicles | 1,587,878 | |
| Infrastructure | 2,047,010 | |
| Accumulated depreciation | <u>(2,371,941)</u> | 5,818,224 |

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

791,334

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

| | | |
|--|----------------|--------------------|
| Notes payable | 3,290,836 | |
| Lease-purchase agreements | 11,328 | |
| Accrued interest on notes payable | 58,196 | |
| Vacation and sick leave liability | 209,641 | |
| Unfunded WRS liability | 13,519 | |
| Estimated landfill postclosure liability | <u>188,095</u> | <u>(3,771,615)</u> |

Net assets of governmental activities (Exhibit 1) **\$ 3,483,398**

See accompanying notes to the basic financial statements

CITY OF AMERY, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For The Year Ended December 31, 2005

| | General Fund | Debt Service Fund | Other Governmental Funds | Totals |
|--|------------------|-------------------------|--------------------------------|-------------------|
| REVENUES: | | | | |
| Taxes | \$1,211,215 | \$ | \$326,580 | \$1,537,795 |
| Special Assessments | 5,202 | | | 5,202 |
| Intergovernmental | 1,115,248 | | 186,817 | 1,302,065 |
| Licenses and Permits | 50,196 | | | 50,196 |
| Fines and Forfeits | 42,446 | | | 42,446 |
| Public Charges for Services | 145,928 | | | 145,928 |
| Intergovernmental Charges for Services | 142,673 | 144,619 | | 287,292 |
| Miscellaneous: | | | | |
| Interest | 16,743 | | 2,034 | 18,777 |
| Rent | 23,817 | | | 23,817 |
| Sale of Property | 4,900 | | 55,500 | 60,400 |
| Donations | 32,100 | | | 32,100 |
| Loan Repayments | | | 89,534 | 89,534 |
| Other | 11,708 | | | 11,708 |
| Total Revenues | <u>2,802,176</u> | <u>144,619</u> | <u>660,465</u> | <u>3,607,260</u> |
| EXPENDITURES: | | | | |
| General Government | 366,714 | | | 366,714 |
| Public Safety | 1,218,602 | | 2,767 | 1,221,369 |
| Transportation | 643,684 | | | 643,684 |
| Sanitation | 145,352 | | 107,041 | 252,393 |
| Health and Human Services | 144 | | | 144 |
| Culture, Recreation and Education | 183,379 | | 287,137 | 470,516 |
| Conservation and Development | 44,706 | | 87,813 | 132,519 |
| Debt Service: | | | | |
| Principal Retirement | | 376,748 | | 376,748 |
| Interest and Fiscal Charges | | 101,803 | | 101,803 |
| Total Expenditures | <u>2,602,581</u> | <u>478,551</u> | <u>484,758</u> | <u>3,565,890</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>199,595</u> | <u>(333,932)</u> | <u>175,707</u> | <u>41,370</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Long-term Debt Issued | 280,000 | | 25,000 | 305,000 |
| Transfers In | 51,490 | 420,378 | | 471,868 |
| Transfers Out | (351,534) | | (125,334) | (476,868) |
| Total Other Financing Sources (Uses) | <u>(20,044)</u> | <u>420,378</u> | <u>(100,334)</u> | <u>300,000</u> |
| NET CHANGE IN FUND BALANCES | 179,551 | 86,446 | 75,373 | 341,370 |
| FUND BALANCES, JANUARY 1 | <u>(90,592)</u> | <u>-</u> | <u>394,677</u> | <u>304,085</u> |
| FUND BALANCES, DECEMBER 31 | <u>\$ 88,959</u> | <u>\$ 86,446</u> | <u>\$470,050</u> | <u>\$ 645,455</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
For The Year Ended December 31, 2005**

Net change in fund balances - total governmental funds (Exhibit 4) **\$ 341,370**

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 | \$ 519,587 | |
| Depreciation expense reported in the statement of activities | <u>(240,969)</u> | 278,618 |

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. (35,033)

Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 375,370

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

| | | |
|--------------------------|--|-----------|
| General obligation notes | | (305,000) |
|--------------------------|--|-----------|

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

| | | |
|---------------------------|---------------|---------|
| Note principal retirement | 376,748 | |
| Lease-purchase agreement | <u>10,900</u> | 387,648 |

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 increase in accrued interest at year end | (32,170) | |
| Net increase in compensated absences at year end | (8,516) | |
| Net decrease in pension related debt | 343 | |
| Net decrease in estimated landfill postclosure liability | <u>30,015</u> | <u>(10,328)</u> |

Change in net assets of governmental activities (Exhibit 2) **\$ 1,032,645**

See accompanying notes to the basic financial statements

CITY OF AMERY, WISCONSIN

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2005

| | Business-type Activities - Enterprise Fund | | |
|--|--|---------------------|---------------------|
| | Joint Water and Sewer Utility | | |
| | Water Department | Sewer Department | Totals |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Investments | \$ 691,474 | \$ (540,218) | \$ 151,256 |
| Customer Accounts Receivable | 87,267 | 139,375 | 226,642 |
| Due from Governmental Units | | 7,635 | 7,635 |
| Current Portion of Advance to Biosolids Facility | | 19,657 | 19,657 |
| Accounts Receivable on Tax Roll | 9,022 | 15,539 | 24,561 |
| Inventories | 29,732 | 4,089 | 33,821 |
| Total Current Assets | <u>817,495</u> | <u>(353,923)</u> | <u>463,572</u> |
| Restricted Assets: | | | |
| Cash and Investments: | | | |
| Replacement Fund Cash and Investments | - | 141,526 | 141,526 |
| Capital Assets: | | | |
| Utility Plant in Service | 4,011,482 | 4,724,025 | 8,735,507 |
| Less Accumulated Depreciation | 893,393 | 1,560,330 | 2,453,723 |
| Net Utility Plant in Service | <u>3,118,089</u> | <u>3,163,695</u> | <u>6,281,784</u> |
| Other Assets and Deferred Charges: | | | |
| Advance to Biosolids Facility | | 195,547 | 195,547 |
| Unamortized Debt Issuance Costs | 7,343 | | 7,343 |
| Total Other Assets | <u>7,343</u> | <u>195,547</u> | <u>202,890</u> |
| Total Assets | <u>\$ 3,942,927</u> | <u>\$ 3,146,845</u> | <u>\$ 7,089,772</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 2,062 | \$ 8,772 | \$ 10,834 |
| Accrued Interest | 2,768 | 7,809 | 10,577 |
| Accrued Employee Benefits | 6,288 | 10,182 | 16,470 |
| Current Portion of Long-term Debt | 37,000 | 126,501 | 163,501 |
| Total Current Liabilities | <u>48,118</u> | <u>153,264</u> | <u>201,382</u> |
| Long-term Liabilities (Net of Current Portion): | | | |
| General Obligation Debt | 873,000 | | 873,000 |
| Mortgage Revenue Note | | 1,337,198 | 1,337,198 |
| Accrued Employee Benefits | 23,124 | 37,449 | 60,573 |
| Total Long-term Liabilities | <u>896,124</u> | <u>1,374,647</u> | <u>2,270,771</u> |
| Total Liabilities | <u>944,242</u> | <u>1,527,911</u> | <u>2,472,153</u> |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 2,215,432 | 1,914,068 | 4,129,500 |
| Restricted for Asset Replacement | | 141,526 | 141,526 |
| Unrestricted | <u>783,253</u> | <u>(436,660)</u> | <u>346,593</u> |
| Total Net Assets | <u>2,998,685</u> | <u>1,618,934</u> | <u>4,617,619</u> |
| Total Liabilities and Net Assets | <u>\$ 3,942,927</u> | <u>\$ 3,146,845</u> | <u>\$ 7,089,772</u> |

See accompanying notes to the basic financial statements

CITY OF AMERY, WISCONSIN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

For The Year Ended December 31, 2005

| | Business-type Activities - Enterprise Fund | | |
|---|--|---------------------|--------------------|
| | Joint Water and Sewer Utility | | Totals |
| | Water Department | Sewer Department | |
| OPERATING REVENUES: | | | |
| Charges for Services | \$ 366,221 | \$ 597,879 | \$ 964,100 |
| Other Operating Revenues | 3,665 | 1,469 | 5,134 |
| Total Operating Revenues | <u>369,886</u> | <u>599,348</u> | <u>969,234</u> |
| OPERATING EXPENSES: | | | |
| Operation and Maintenance | 153,986 | 410,771 | 564,757 |
| Depreciation | 80,484 | 145,086 | 225,570 |
| Taxes | 69,494 | 10,608 | 80,102 |
| Total Operating Expenses | <u>303,964</u> | <u>566,465</u> | <u>870,429</u> |
| OPERATING INCOME | <u>65,922</u> | <u>32,883</u> | <u>98,805</u> |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Interest Income | 820 | 11,976 | 12,796 |
| Amortization of Debt Discount | (1,089) | | (1,089) |
| Interest Expense | (35,061) | (48,326) | (83,387) |
| Total Nonoperating Revenues (Expenses) | <u>(35,330)</u> | <u>(36,350)</u> | <u>(71,680)</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS | <u>30,592</u> | <u>(3,467)</u> | <u>27,125</u> |
| CAPITAL CONTRIBUTIONS | <u>70,060</u> | <u>978</u> | <u>71,038</u> |
| CHANGE IN NET ASSETS | <u>100,652</u> | <u>(2,489)</u> | <u>98,163</u> |
| NET ASSETS, JANUARY 1 | <u>2,898,033</u> | <u>1,621,423</u> | <u>4,519,456</u> |
| NET ASSETS, DECEMBER 31 | <u>\$2,998,685</u> | <u>\$1,618,934</u> | <u>\$4,617,619</u> |

See accompanying notes to the basic financial statements

CITY OF AMERY, WISCONSIN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For The Year Ended December 31, 2005

| | <u>Business-type Activities - Enterprise Fund</u> | | |
|--|---|--------------------|-------------------|
| | <u>Joint Water and Sewer Utility</u> | | |
| | <u>Water</u> | <u>Sewer</u> | <u>Totals</u> |
| | <u>Department</u> | <u>Department</u> | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash Received from Customers | \$ 196,539 | \$ 590,392 | \$ 786,931 |
| Cash Received from Public Fire Protection | 131,806 | | 131,806 |
| Cash Received (Paid) for Meter Related Charges | 23,026 | (23,026) | - |
| Cash Paid to Suppliers for Goods and Services | (112,179) | (242,381) | (354,560) |
| Cash Paid for Employee Services | (67,889) | (158,414) | (226,303) |
| Cash Paid for Tax Equivalents | <u>(65,080)</u> | <u>(65,080)</u> | <u>(65,080)</u> |
| Net Cash Provided by Operating Activities | <u>106,223</u> | <u>166,571</u> | <u>272,794</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Cash Paid for Acquisition of Plant Assets | (227,062) | (1,198) | (228,260) |
| Cash Received from Governmental Grants as Contributed Capital | 106,938 | | 106,938 |
| Cash Received from Utility Customers as Contributed Capital | 4,335 | | 4,335 |
| Principal Paid on Long-term Debt | (51,574) | (120,196) | (171,770) |
| Interest Paid on Long-term Debt | <u>(35,787)</u> | <u>(42,520)</u> | <u>(78,307)</u> |
| Net Cash Used for Capital and Related Financing Activities | <u>(203,150)</u> | <u>(163,914)</u> | <u>(367,064)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest on Investments | | 3,581 | 3,581 |
| Interest Received on Tax Roll Items | 415 | 971 | 1,386 |
| Net Cash Received from Investing Activities | <u>415</u> | <u>4,552</u> | <u>4,967</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (96,512) | 7,209 | (89,303) |
| CASH AND CASH EQUIVALENTS, JANUARY 1 | <u>787,986</u> | <u>(405,901)</u> | <u>382,085</u> |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | <u>\$ 691,474</u> | <u>\$(398,692)</u> | <u>\$ 292,782</u> |

See accompanying notes to the basic financial statements

| | <u>Business-type Activities - Enterprise Fund</u> | | |
|--|---|--------------------|-------------------|
| | <u>Joint Water and Sewer Utility</u> | | |
| | <u>Water</u> | <u>Sewer</u> | <u>Totals</u> |
| | <u>Department</u> | <u>Department</u> | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | |
| Operating Income | \$ 65,922 | \$ 32,883 | \$ 98,805 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | |
| Depreciation Accruals | 82,614 | 142,956 | 225,570 |
| Amortization Expense | | | |
| Changes in Asset and Liability Accounts: | | | |
| Increase in Customer Accounts Receivable | (34,194) | (4,600) | (38,794) |
| Increase in Other Accounts Receivable | | (466) | (466) |
| Increase in Due from Other Funds | (4,842) | (4,415) | (9,257) |
| Decrease (Increase) in Inventory | (2,933) | 26 | (2,907) |
| Increase (Decrease) in Accounts Payable | (1,006) | 377 | (629) |
| Increase (Decrease) in Accrued Benefits Payable | 662 | (190) | 472 |
| Net Cash Provided by Operating Activities | <u>\$ 106,223</u> | <u>\$ 166,571</u> | <u>\$ 272,794</u> |
| RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS: | | | |
| Cash and Investments per Exhibit 5: | | | |
| Cash and Investments - Unrestricted | \$ 691,474 | \$(540,218) | \$ 151,256 |
| Cash and Investments - Restricted | | 141,526 | 141,526 |
| Cash and Cash Equivalents | <u>\$ 691,474</u> | <u>\$(398,692)</u> | <u>\$ 292,782</u> |

CITY OF AMERY, WISCONSIN

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2005

| | Private Purpose <u>Trust Fund</u> | Agency <u>Fund</u> |
|------------------------------|---|-----------------------|
| | Fire Department Retirement <u>Fund</u> | Tax Agency |
| ASSETS | | |
| Cash and Investments | \$ 56,308 | \$ 414,167 |
| Taxes Receivable | | <u>2,007,476</u> |
| Total Assets | <u>56,308</u> | <u>\$ 2,421,643</u> |
| LIABILITIES | | |
| Due Other Governments | <u>-</u> | <u>\$ 2,421,643</u> |
| Total Liabilities | <u>-</u> | <u>\$ 2,421,643</u> |
| NET ASSETS | | |
| Held for Retirement Benefits | <u>\$ 56,308</u> | |

See accompanying notes to the basic financial statements

CITY OF AMERY, WISCONSIN

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For The Year Ended December 31, 2005

| | <u>Private Purpose Trust Fund</u> <u>Fire Department</u> <u>Retirement Fund</u> |
|--------------------------------------|---|
| ADDITIONS | |
| Interest | \$ 774 |
| Transfer from General Fund | <u>5,000</u> |
| Total Additions | 5,774 |
| DEDUCTIONS | |
| Retirement Benefits | <u>1,731</u> |
| CHANGE IN NET ASSETS | 4,043 |
| NET ASSETS, Beginning of Year | <u>52,265</u> |
| NET ASSETS, End of Year | <u><u>\$ 56,308</u></u> |

See accompanying notes to the basic financial statements

CITY OF AMERY, WISCONSIN

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For The Year Ended December 31, 2005

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CITY OF AMERY, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS For The Year Ended December 31, 2005

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Redevelopment Authority for the City of Amery. The Redevelopment Authority for the City of Amery (Authority) was organized in 2002 by the City for the purpose of carrying out all blight elimination, slum clearance and urban renewal programs and projects with the City of Amery. The Authority is governed by a seven member board appointed by a 4/5 vote of the City Council. Funding for the Authority through December 31, 2005 consisted of a \$28,388 advance from the City of Amery's general fund and long-term debt proceeds in the amount of \$210,000, both of which were used for the purpose of obtaining property within the City and funding interest on long-term debt. Financial statements of the Authority for the year ended December 31, 2005 are presented in this report as a governmental fund type discretely presented component unit.

B. Government-wide and Fund Financial Statements

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

Government-wide Statements

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

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

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

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

B. Government-wide and Fund Financial Statements (cont'd.)

Fund Financial Statements

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise fund:

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

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

Additionally, the City reports the following fund types:

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

C. Measurement Focus and Basis of Accounting

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

CITY OF AMERY, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005

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

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

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 considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other 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.

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

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with a 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:

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

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

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

Investments of the City are stated at fair value.

2. Receivables and Payables

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

CITY OF AMERY, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS For The Year Ended December 31, 2005

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

D. Assets, Liabilities, and Net Assets or Equity (cont'd.)

2. Receivables and Payables (cont'd.)

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

Special Assessments. Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2005 tax roll are recognized as revenue in 2006.) Special assessments recorded in proprietary funds and in the government-wide financial statement are recorded as revenue at the time the assessments are subject to collection procedures.

Accounts Receivable. All accounts receivable are shown at gross amounts with uncollectible accounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Loans Receivable. The City has received federal and state grant funds for economic development loan programs to various businesses. The City records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as business development loans receivable have not been reduced by an allowance for uncollectible accounts. It is the City's policy to record deferred revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as designated fund balance in the fund financial statements.

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

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.

CITY OF AMERY, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005

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

D. Assets, Liabilities, and Net Assets or Equity (cont'd.)

4. Restricted Assets

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

5. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

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:

| | <u>Capitalization Threshold</u> | <u>Depreciation Method</u> | <u>Estimated Useful Life</u> |
|-------------------------|-------------------------------------|--------------------------------|----------------------------------|
| Buildings | \$5,000 | Straight-line | 10-50 Years |
| Land Improvements | \$5,000 | Straight-line | 20-30 Years |
| Machinery and Equipment | \$5,000 | Straight-line | 4-25 Years |
| Infrastructure | \$5,000 | Straight-line | 20-50 Years |
| Utility Systems | Varies | 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. Other Assets

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

7. Compensated Absences

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

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

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

D. Assets, Liabilities, and Net Assets or Equity (cont'd.)

8. Long-term Obligations

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

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded in the government-wide statements and proprietary fund financial statements as expenses when the related liabilities are incurred. In the governmental fund financial statements, claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated.

10. Equity Classifications

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

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

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

NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of governmental fund balances and changes thereto to the net assets and revenues/expenses shown in the government-wide financial statements are presented in Exhibit 3A and Exhibit 4A, respectively.

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash and investments balances at December 31, 2005 totaled \$1,720,977 as shown in the financial statements as follows:

| | | |
|--------------------------------|----|--------------|
| Governmental Funds (Exhibit 3) | \$ | 957,720 |
| Proprietary Funds (Exhibit 5) | | 292,782 |
| Fiduciary Funds (Exhibit 8) | | 470,475 |
| | | \$ 1,720,977 |

The above cash and investments balances totaling \$1,720,977 consisted of the following:

| | | | |
|---|----|-----------|--------------|
| Deposits in Financial Institutions: | | | |
| Treasurer's Cash and Investments | \$ | 1,570,832 | |
| Departmental Cash | | 8,419 | |
| Restricted Cash and Investments | | 141,526 | \$ 1,720,777 |
| Petty Cash | | | 200 |
| Total Cash and Investments at December 31, 2005 | | | \$ 1,720,977 |

Deposits at Financial Institutions

The City's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$100,000 for time and savings deposits and up to \$100,000 for demand deposits at any institution. 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.

The City's coverage on its deposits at financial institutions at December 31, 2005 is summarized below:

| | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|--|----------------------------|-------------------------|
| Insured (FDIC) | \$ 199,667 | \$ 199,667 |
| Uninsured: | | |
| Covered under Provisions of State Statutes | 400,000 | 400,000 |
| Collateralized | 1,121,110 | 972,752 |
| | \$ 1,720,777 | \$ 1,572,419 |

Custodial credit risk for deposits is the risk that, in the event of bank failure, the City's deposits may not be returned. At December 31, 2005, the City's deposits were not exposed to custodial credit risk.

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

B. Receivables/Deferred Revenues

1. Taxes Receivable

Taxes receivable at December 31, 2005 totaled \$3,311,845 as detailed below:

Current Taxes Receivable:

2005 Tax Roll:

General Property Taxes:

City:

| | | |
|---------------------------|--------------|--|
| General City Taxes | \$ 1,317,608 | |
| Tax Incremental Districts | 142,892 | |
| | 1,460,500 | |

| | | |
|------------------------------|-----------|--|
| Other Taxing Districts | 2,421,643 | |
| Total General Property Taxes | 3,882,143 | |

Special Assessments and Special Charges:

| | | |
|----------------------------------|--------|--|
| Special Assessments and Interest | 8,674 | |
| Enterprise Fund Charges | 24,561 | |
| Governmental Funds Charges | 5,051 | |

| | | |
|---------------------|--------------|--|
| Total 2005 Tax Roll | \$ 3,920,429 | |
|---------------------|--------------|--|

| | | |
|--|---------|--|
| Less Collections Prior to January 2006 | 609,382 | |
|--|---------|--|

| | | |
|------------------------------|-----------|--|
| Net Current Taxes Receivable | 3,311,047 | |
|------------------------------|-----------|--|

Delinquent Taxes Receivable:

Delinquent Personal Property Taxes Held
by City for Collection

| | | |
|--|--------------|--|
| | 798 | |
| | \$ 3,311,845 | |

| | | |
|--------------------------------|--------------|--|
| Recorded in Governmental Funds | \$ 1,279,808 | |
| Recorded in Proprietary Funds | 24,561 | |
| Recorded in Fiduciary Funds | 2,007,476 | |
| | \$ 3,311,845 | |

The 2005 tax roll receivable and collections thereon are accounted for in the fund for which the taxes were levied, except for taxes levied for other governmental units which were recorded in the City's tax agency fund. A portion of the general fund's equity is reserved for the City's investment in delinquent taxes.

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

B. Receivables/Deferred Revenues (cont'd.)

2. Other Receivables

Other accounts receivable at December 31, 2005 are further detailed as follows:

| | <u>General Fund</u> | <u>Other Governmental Funds</u> | <u>Enterprise Funds</u> | <u>Totals</u> |
|---|-------------------------|---|-----------------------------|---------------------|
| Special Assessments | \$ 75,516 | \$ - | \$ - | \$ 75,516 |
| Accounts Receivable: | | | | |
| General | 28,943 | | | 28,943 |
| Customers: | | | | |
| Refuse | 34,907 | | | 34,907 |
| Water | | | 87,267 | 87,267 |
| Sewer | | | 139,375 | 139,375 |
| | <u>63,850</u> | <u>-</u> | <u>226,642</u> | <u>290,492</u> |
| Due from Other Governmental Units: | | | | |
| Current Portion of Advance to Biosolids Facility | | | 19,657 | 19,657 |
| Biosolids Billing Settlement | | | 7,635 | 7,635 |
| Other | 35,388 | | | 35,388 |
| | <u>35,388</u> | <u>-</u> | <u>27,292</u> | <u>62,680</u> |
| Advance to Redevelopment Authority | <u>28,388</u> | <u>-</u> | <u>-</u> | <u>28,388</u> |
| Long-term Receivables: | | | | |
| New Fire Hall Debt Service | 439,476 | | | 439,476 |
| Business Development Loans | | 197,538 | | 197,538 |
| Advance to Biosolids Facility | | | 195,547 | 195,547 |
| | <u>439,476</u> | <u>197,538</u> | <u>195,547</u> | <u>832,561</u> |
| Totals | <u>\$ 642,618</u> | <u>\$ 197,538</u> | <u>\$ 449,481</u> | <u>\$ 1,289,637</u> |

Community Development Block Grant Loans Receivable. The City was awarded two Wisconsin Development (WDF) grants by the State in prior years to finance economic development loans to two businesses. The 1990 WDF grant was for \$200,000 and the 1995 WDF grant was for \$508,000. The original 1990 loan has been totally refunded by the original recipient and is now being used by the City to finance similar loans from a revolving loan fund. The 1995 loan was drawn down in full during 1996 and repayments began in 1997.

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

B. Receivables/Deferred Revenues (cont'd.)

2. Other Receivables (cont'd.)

Community Development Block Grant Loans Receivable. (cont'd.) At December 31, 2005 the City had outstanding twelve installment loans under the CDBG program totaling \$197,538. Repayments received on these loans are recognized as revenue by the City when received and are recorded in the revolving loan special revenue fund. The City may retain funds on the 1990 WDF grant, subject to certain limitations and restrictions, for financing future economic development loans. All repayments on the 1995 loan are to be returned to the State of Wisconsin as received by the City. The fund balance of the revolving loan fund at December 31, 2005 was \$23,598. Amounts refunded to the State during 2005 totaled \$56,238.

New Fire Hall. During 2004 the City completed construction of a new fire hall building. A portion of the debt service used to finance construction is expected to be funded with revenues from the fire districts' participating municipalities and the City recorded receivables for such amounts in 2004. The City had outstanding long-term receivables from the Alden and Blackbrook Townships in the amounts of \$65,497 and \$373,979, respectively, for their share of the debt outstanding at December 31, 2005. The amortization schedules of the Townships debt can be seen on Schedule G-1 of this report.

3. Deferred Revenues

Governmental funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

| | <u>Unavailable</u> | <u>Unearned</u> | <u>Total</u> |
|---|--------------------|---------------------|---------------------|
| 2005 Tax Roll Items: | | | |
| Property Taxes | \$ | \$ 1,317,608 | \$ 1,317,608 |
| Tax Increments | | 142,892 | 142,892 |
| Special Assessments: | | | |
| Principal | 5,482 | | 5,482 |
| Interest | 3,192 | | 3,192 |
| Other | 5,050 | | 5,050 |
| Utility Tax Equivalents | 65,080 | | 65,080 |
| Long-term Receivables: | | | |
| Debt Service Fund | 439,476 | | 439,476 |
| Revolving Loan Fund | 197,538 | | 197,538 |
| Deferred Special Assessments | 75,516 | | 75,516 |
| Public Safety Grant | | 19,002 | 19,002 |
| Total Deferred/Unearned Revenue for Governmental Funds | <u>\$ 791,334</u> | <u>\$ 1,479,502</u> | <u>\$ 2,270,836</u> |

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

C. Capital Assets

Capital assets activity for the year ended December 31, 2005 is as follows:

Primary Government:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|-------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 746,699 | \$ - | \$ 55,500 | \$ 691,199 |
| Construction Work in Progress | 29,440 | 246,798 | 276,238 | - |
| Total Capital Assets Not Being Depreciated | <u>776,139</u> | <u>246,798</u> | <u>331,738</u> | <u>691,199</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | 2,574,004 | 2,767 | 12,800 | 2,563,971 |
| Land Improvements | 1,285,807 | 63,136 | 48,836 | 1,300,107 |
| Equipment and Vehicles | 1,176,888 | 492,990 | 82,000 | 1,587,878 |
| Infrastructure | 2,047,876 | 24,134 | 25,000 | 2,047,010 |
| Total Capital Assets Being Depreciated | <u>7,084,575</u> | <u>583,027</u> | <u>168,636</u> | <u>7,498,966</u> |
| Total Capital Assets | <u>7,860,714</u> | <u>829,825</u> | <u>500,374</u> | <u>8,190,165</u> |
| Accumulated Depreciation: | | | | |
| Buildings and Improvements | 389,526 | 50,846 | 12,800 | 427,572 |
| Land Improvements | 712,785 | 38,210 | 48,836 | 702,159 |
| Equipment and Vehicles | 718,684 | 91,065 | 68,467 | 741,282 |
| Infrastructure | 465,080 | 60,848 | 25,000 | 500,928 |
| Total Accumulated Depreciation | <u>2,286,075</u> | <u>240,969</u> | <u>155,103</u> | <u>2,371,941</u> |
| Net Capital Assets - Governmental Activities | <u>\$ 5,574,639</u> | <u>\$ 588,856</u> | <u>\$ 345,271</u> | <u>\$ 5,818,224</u> |

Depreciation was charged to governmental functions as follows:

| | |
|-----------------------------------|-------------------|
| Public Safety | \$ 88,168 |
| Public Works | 139,265 |
| Culture, Recreation and Education | 13,536 |
| | <u>\$ 240,969</u> |

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

C. Capital Assets (cont'd.)

Primary Government: (cont'd.)

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|------------------|------------------|---------------------------|
| Business-type Activities: | | | | |
| Joint Water and Sewer Utility: | | | | |
| Water Department: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land and Land Rights | \$ 8,439 | \$ 6,919 | \$ - | \$ 15,358 |
| Capital Assets Being Depreciated: | | | | |
| Source of Supply | 198,218 | | | 198,218 |
| Pumping Plant | 270,702 | 13,471 | | 284,173 |
| Treatment Plant | 7,552 | 5,903 | | 13,455 |
| Transmission and Distribution | 3,351,781 | 69,578 | 2,250 | 3,419,109 |
| Administration and General Assets | 81,169 | | | 81,169 |
| Total Capital Assets Being Depreciated | 3,909,422 | 88,952 | 2,250 | 3,996,124 |
| Total Capital Assets | 3,917,861 | 95,871 | 2,250 | 4,011,482 |
| Accumulated Depreciation | 813,029 | 82,614 | 2,250 | 893,393 |
| Net Capital Assets - Water Department | \$ 3,104,832 | \$ 13,257 | \$ - | \$ 3,118,089 |
| Sewer Department: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land and Land Rights | \$ 36,340 | \$ - | \$ - | \$ 36,340 |
| Capital Assets Being Depreciated: | | | | |
| Collection System | 1,487,136 | 1,198 | | 1,488,334 |
| Treatment and Disposal Plant | 3,085,069 | | | 3,085,069 |
| Administration and General Assets | 114,282 | | | 114,282 |
| Total Capital Assets Being Depreciated | 4,686,487 | 1,198 | - | 4,687,685 |
| Total Capital Assets | 4,722,827 | 1,198 | - | 4,724,025 |
| Accumulated Depreciation | 1,417,374 | 142,956 | - | 1,560,330 |
| Net Capital Assets - Sewer Department | \$ 3,305,453 | \$ (141,758) | \$ - | \$ 3,163,695 |
| Net Capital Assets - Business-type Activities | \$ 6,410,285 | \$ (128,501) | \$ - | \$ 6,281,784 |

Depreciation was charged to business-type activities as follows:

| | |
|-------|------------------|
| Water | \$ 82,614 |
| Sewer | <u>142,956</u> |
| | <u>\$225,570</u> |

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

C. Capital Assets (cont'd.)

Component Unit:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---------------------------------------|----------------------|-----------|-----------|-------------------|
| Redevelopment Authority: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 226,355 | \$ - | \$ - | \$ 226,355 |

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2005 was as follows:

Advances from/to Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|----------------------------------|---------------|
| General Fund | Tax Incremental District #6 Fund | \$27,814 |

A long-term interfund advance was recorded from the City's general fund to its TID #6 fund at December 31, 2005 in the amount of \$27,814 to finance the fund deficit in the fund at that date. It is anticipated this advance will be reduced as tax incremental revenues become available in the TID #6 fund.

Interfund balances that are owed within the governmental activities and business-type activities, if any, are eliminated in the statement of net assets.

Interfund Transfers

The following is a schedule of interfund transfers:

| <u>Fund Transferred To</u> | <u>Fund Transferred From</u> | <u>Amount</u> |
|---------------------------------|--|-------------------|
| Debt Service Fund | General Fund | \$ 346,534 |
| Debt Service Fund | Landfill Contamination and Remediation Fund | 26,416 |
| Debt Service Fund | Tax Incremental District #5 Fund | 47,428 |
| General Fund | Brownsfield Fund | 45,893 |
| General Fund | District Fire Hall Construction Fund | 5,597 |
| Fire Department Retirement Fund | General Fund | 5,000 |
| | | \$ 476,868 |

Amounts transferred to the debt service fund from the funds shown above represent current maturities expected to be financed from revenues of these funds. The general fund annually transfers a budget appropriation to the fire department retirement fund for the associated employee benefit. The City closed out the Brownsfield fund to the general fund in 2005.

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

E. Long-term Obligations

Changes in Long-term Obligations

Changes in long-term obligations of the City for the year ended December 31, 2005 were as follows:

| | <u>Balance</u> <u>1/1/05</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance</u> <u>12/31/05</u> | <u>Amounts</u> <u>Due Within</u> <u>One Year</u> |
|--|---------------------------------|-------------------|-------------------|-----------------------------------|--|
| Primary Government: | | | | | |
| Long-term Debt: | | | | | |
| Governmental Activities: | | | | | |
| General Obligation Notes | \$ 3,362,584 | \$ 305,000 | \$ 376,748 | \$ 3,290,836 | \$ 409,616 |
| Business-type Activities: | | | | | |
| General Obligation Notes | 977,148 | | 67,148 | 910,000 | 37,000 |
| Mortgage Revenue Bonds | 1,586,277 | | 122,578 | 1,463,699 | 126,501 |
| Total Long-term Debt | <u>\$ 5,926,009</u> | <u>\$ 305,000</u> | <u>\$ 566,474</u> | <u>\$ 5,664,535</u> | <u>\$ 573,117</u> |
| Other Long-term Obligations: | | | | | |
| Governmental Funds: | | | | | |
| Lease-Purchase Agreements | \$ 22,228 | \$ - | \$ 10,900 | \$ 11,328 | \$ 11,328 |
| Employee Vacation and Sick Leave Liability | 201,125 | 8,516 | | 209,641 | 44,818 |
| Unfunded WRS Liability | 13,862 | 978 | 1,321 | 13,519 | |
| Estimated Landfill Postclosure Liability | 218,110 | | 30,015 | 188,095 | - |
| Total Other Long-term Obligations | 455,325 | 9,494 | 42,236 | 422,583 | 56,146 |
| Business-type Activities: | | | | | |
| Employee Vacation and Sick Leave Liability | 76,571 | 472 | - | 77,043 | 16,470 |
| Total Other Long-term Obligations | <u>\$ 531,896</u> | <u>\$ 9,966</u> | <u>\$ 42,236</u> | <u>\$ 499,626</u> | <u>\$ 72,616</u> |
| Component Unit: | | | | | |
| Bank Mortgage Note | \$ 210,000 | \$ - | \$ - | \$ 210,000 | \$ - |

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

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

E. Long-term Obligations (cont'd.)

General Obligation Long-term Debt

Annual Requirements for Retirement. Individual general obligation long-term debt issues outstanding at December 31, 2005 and annual requirements for their retirement are shown below:

| | <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------|------------------|-----------------|--------------|
| Refunding bonds, \$1,195,000, issued 6/1/95, final installment 12/1/07, interest at 4.20%-5.40% (general fund) | 2006 | \$ 40,000 | \$ 4,101 | \$ 44,101 |
| | 2007 | 35,000 | 1,890 | 36,890 |
| | | 75,000 | 5,991 | 80,991 |
| Promissory notes, \$1,610,000, issued 8/16/97, final installment 6/1/07, interest at 4.15%-4.80% (79.90% TID #5, 20.1% general fund - see Schedule F-1) | 2006 | 90,000 | 16,035 | 106,035 |
| | 2007 | 245,000 | 5,880 | 250,880 |
| | | 335,000 | 21,915 | 356,915 |
| Landfill remediation promissory notes, Series 2000, \$628,758.12 authorized, \$481,686.54 borrowed, final installment 5/1/20, 0.0% interest (Landfill Contamination Project) | 2006 | 24,459 | | 24,459 |
| | 2007 | 24,459 | | 24,459 |
| | 2008 | 24,459 | | 24,459 |
| | 2009 | 24,459 | | 24,459 |
| | 2010 | 24,459 | | 24,459 |
| | 2011-2015 | 122,293 | | 122,293 |
| 2016-2020 | 122,293 | | 122,293 | |
| | | 366,881 | - | 366,881 |
| State trust fund loan, \$318,000, issued 7/30/02, final installment due 3/15/09, interest at 4.75% (2001 general fund projects) | 2006 | 44,526 | 8,574 | 53,100 |
| | 2007 | 46,530 | 6,570 | 53,100 |
| | 2008 | 48,612 | 4,488 | 53,100 |
| | 2009 | 50,866 | 2,289 | 53,155 |
| | | 190,534 | 21,921 | 212,455 |
| State trust fund loan, \$158,571, issued 3/27/02 and 1/15/03, final installment due 3/15/09, interest at 4.75% (Senior Center repairs) | 2006 | 23,633 | 4,820 | 28,453 |
| | 2007 | 24,755 | 3,698 | 28,453 |
| | 2008 | 25,923 | 2,530 | 28,453 |
| | 2009 | 27,182 | 1,291 | 28,473 |
| | | 101,493 | 12,339 | 113,832 |
| State trust fund loan, \$24,421, issued 6/16/02, final installment due 3/15/07, interest at 4.00% (fire equipment) | 2006 | 5,021 | 411 | 5,432 |
| | 2007 | 5,224 | 208 | 5,432 |
| | | 10,245 | 619 | 10,864 |

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

E. Long-term Obligations (cont'd.)

General Obligation Long-term Debt (cont'd.)

Annual Requirements for Retirement (cont'd.)

| | <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|-------------|------------------|------------------|----------------|
| State trust fund loan, \$429,000, issued 10/13/04, final installment due 3/15/19, interest at 5.00% (TID #6 developers agreement) | 2006 | \$ 13,772 | \$ 30,441 | \$ 44,213 |
| | 2007 | 23,452 | 20,761 | 44,213 |
| | 2008 | 24,571 | 19,642 | 44,213 |
| | 2009 | 25,853 | 18,360 | 44,213 |
| | 2010 | 27,145 | 17,068 | 44,213 |
| | 2011-2015 | 157,450 | 63,616 | 221,066 |
| | 2016-2019 | 156,757 | 20,096 | 176,853 |
| | | <u>429,000</u> | <u>189,984</u> | <u>618,984</u> |
| Promissory notes, \$1,399,000, issued 8/10/03 thru 3/24/04, final installment due 6/1/13, interest at 3.65% (fire hall \$880,000, city shop \$519,000) | 2006 | 80,000 | 46,830 | 126,830 |
| | 2007 | 82,000 | 43,910 | 125,910 |
| | 2008 | 84,000 | 40,916 | 124,916 |
| | 2009 | 89,000 | 37,850 | 126,850 |
| | 2010 | 91,000 | 34,602 | 125,602 |
| | 2011-2013 | 857,000 | 71,266 | 928,266 |
| | | | <u>1,283,000</u> | <u>275,374</u> |
| Promissory notes, \$969,000, issued 8/20/03 thru 10/14/04, final installment due 6/1/13, interest at 3.65% (water utility improvements) | 2006 | 37,000 | 33,215 | 70,215 |
| | 2007 | 38,000 | 31,864 | 69,864 |
| | 2008 | 39,000 | 30,477 | 69,477 |
| | 2009 | 41,000 | 29,054 | 70,054 |
| | 2010 | 42,000 | 27,558 | 69,558 |
| | 2011-2013 | 713,000 | 61,830 | 774,830 |
| | | | <u>910,000</u> | <u>213,998</u> |
| Promissory notes, \$228,000, issued 12/30/04, final installment due 6/1/11, interest at 4.00% (public works building, equipment and Bridge Street) | 2006 | 29,353 | 7,787 | 37,140 |
| | 2007 | 30,527 | 6,613 | 37,140 |
| | 2008 | 31,734 | 5,406 | 37,140 |
| | 2009 | 33,018 | 4,122 | 37,140 |
| | 2010 | 34,338 | 2,802 | 37,140 |
| | 2011 | 35,713 | 1,427 | 37,140 |
| | | | <u>194,683</u> | <u>28,157</u> |
| Promissory notes, \$280,000, issued 2/1/05, final installment due 3/15/12, interest at 4.45% (fire truck) | 2006 | 21,852 | 13,269 | 35,121 |
| | 2007 | 24,150 | 10,971 | 35,121 |
| | 2008 | 25,149 | 9,972 | 35,121 |
| | 2009 | 26,245 | 8,876 | 35,121 |
| | 2010 | 27,360 | 7,761 | 35,121 |
| | 2011-2012 | 155,244 | 11,999 | 167,243 |
| | | | <u>280,000</u> | <u>62,848</u> |

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

E. Long-term Obligations (cont'd.)

General Obligation Long-term Debt (cont'd.)

Annual Requirements for Retirement (cont'd.)

| | <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------|---------------------|-------------------|---------------------|
| State trust fund loan, \$25,000, issued | 2006 | | | |
| 10/25/05, final installment due 3/15/20, | 2007 | \$ 840 | \$ 1,733 | \$ 2,573 |
| interest at 5.00% | 2008 | 1,361 | 1,212 | 2,573 |
| (TID #6 developers agreement) | 2009 | 1,433 | 1,140 | 2,573 |
| | 2010 | 1,504 | 1,069 | 2,573 |
| | 2011-2015 | 8,725 | 4,138 | 12,863 |
| | 2016-2020 | 11,137 | 1,726 | 12,863 |
| | | <u>25,000</u> | <u>11,018</u> | <u>36,018</u> |
| Total General Obligation Debt | | <u>\$ 4,200,836</u> | <u>\$ 844,164</u> | <u>\$ 5,045,000</u> |

The foregoing annual requirements for retirement of general obligation debt issues are summarized by expected funding sources as follows:

| <u>Year</u> | <u>General Fund</u> | <u>TID #5</u> | <u>TID #6</u> | <u>Water and Sewer Utility</u> | <u>Total</u> |
|-------------|-------------------------|-------------------|-------------------|--|---------------------|
| 2006 | \$ 414,889 | \$ 45,782 | \$ 44,213 | \$ 70,215 | \$ 575,099 |
| 2007 | 402,825 | 194,560 | 46,786 | 69,864 | 714,035 |
| 2008 | 303,189 | | 46,786 | 69,477 | 419,452 |
| 2009 | 305,198 | | 46,786 | 70,054 | 422,038 |
| 2010 | 222,322 | | 46,786 | 69,558 | 338,666 |
| 2011-2015 | 1,254,942 | | 410,782 | 774,830 | 2,440,554 |
| 2016-2020 | 122,293 | | 12,863 | | 135,156 |
| | <u>\$ 3,025,658</u> | <u>\$ 240,342</u> | <u>\$ 655,002</u> | <u>\$ 1,123,998</u> | <u>\$ 5,045,000</u> |

A repayment schedule for the general obligation debt issue payable from multiple sources (note dated August 16, 1997) is presented in supplementary Schedule F-1.

Funding for Debt Retirement. Installments on the state trust fund loans and promissory notes used to finance project expenditures of the City's tax incremental districts are to be financed from those funds. Such funding is dependent upon the amount of funds available in the tax incremental districts.

The City issued long-term debt to provide financing for the new fire hall completed in 2004. The debt was to the participating districts as follows:

| | |
|--------------------|----------------------|
| City of Amery | \$ 313,430.25 |
| Town of Blackbrook | 86,446.11 |
| Town of Lincoln | 408,569.74 |
| Town of Alden | 71,553.90 |
| | <u>\$ 880,000.00</u> |

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

E. Long-term Obligations (cont'd.)

General Obligation Long-term Debt (cont'd.)

Funding for Debt Retirement (cont'd.). Repayment schedules were established to allow the Towns to repay their allocated share of the debt, including interest at 3.65% on the unpaid amount, to the City over a ten-year period. The Town of Blackbrook paid its share in full to the City in 2005, which was recorded in a debt service fund by the City.

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

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, 2005, the City's debt limit amounted to \$9,099,215 and indebtedness subject to the limitation totaled \$4,200,836.

Lease Purchase Agreement

The City entered into a lease purchase agreement during 2004 to obtain street cleaning equipment. At December 31, 2005 the City had an outstanding obligation totaling \$11,328 on the agreement. Future requirements for retirement of the agreement were as follows at December 31, 2005:

| | <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|-------------|------------------|-----------------|--------------|
| Lease purchase agreement for Street Sweeper, \$34,000, dated 4/3/04, due 4/3/06, interest at 3.92% | 2006 | \$ 11,328 | \$ 444 | \$ 11,772 |

Mortgage Revenue Bonds

Outstanding mortgage revenue bonds of the City totaled \$1,463,699 at December 31, 2005. The City's full faith and credit do not back the mortgage revenue bonds which are instead backed only by the assets and revenues of the enterprise fund. Outstanding revenue bond issues at December 31, 2005 consisted of two sewerage system mortgage revenue bond issues issued to the State of Wisconsin under the Clean Water Fund Financial Assistance program as described below:

Sewerage System Revenue Bonds Series 1995. The City authorized the issuance of \$2,076,057 of revenue bonds on October 2, 1995 to the State of Wisconsin through its Clean Water Fund program to fund renovation of its wastewater treatment plant. The City has borrowed \$2,072,891 from the State under this loan authorization. Principal is payable annually on May 1, through the year 2015 and interest is payable semiannually on May and November 1 at an annual rate of 3.206%. The outstanding balance on the bond issue at December 31, 2005 was \$1,249,627.

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

E. Long-term Obligations (cont'd.)

Mortgage Revenue Bonds (cont'd.)

Sewerage System Revenue Bonds Series 1995 (cont'd.). Annual requirements for its retirement are shown below:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|-------------------|---------------------|
| 2006 | 107,976 | 38,333 | 146,309 |
| 2007 | 111,437 | 34,815 | 146,252 |
| 2008 | 115,010 | 31,185 | 146,195 |
| 2009 | 118,697 | 27,439 | 146,136 |
| 2010 | 122,503 | 23,572 | 146,075 |
| 2011-2015 | 674,004 | 55,385 | 729,389 |
| | <u>\$ 1,249,627</u> | <u>\$ 210,729</u> | <u>\$ 1,460,356</u> |

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

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

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

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

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

The above accounts had not been established in the utility as of December 31, 2005. Principal and interest on the debt is paid directly from utility operating accounts when due.

Sewerage System Revenue Bonds Series 1995A. In 1995 the City also authorized the issuance of \$354,703 of revenue bonds to the State to fund its share of costs associated with the construction of the West Central Wisconsin Biosolids Facility (hereafter Facility - also, see Note IV.E). These funds were paid directly to the Facility to fund construction costs. Principal is payable annually on May 1 through the year 2015 and interest is payable semiannually on May 1 and November 1 at an annual rate of 3.173%. Principal and interest installments are being paid directly by the Facility. Accordingly, a receivable has been recorded in the City's utility enterprise fund equal to the outstanding revenue bonds at year end which totaled \$214,072. Future annual requirements for retirement of the revenue bonds at December 31, 2005 were as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-------------------|------------------|-------------------|
| 2006 | 18,525 | 6,498 | 25,023 |
| 2007 | 19,113 | 5,901 | 25,014 |
| 2008 | 19,720 | 5,285 | 25,005 |
| 2009 | 20,345 | 4,650 | 24,995 |
| 2010 | 20,991 | 3,994 | 24,985 |
| 2011-2015 | 115,378 | 9,382 | 124,760 |
| | <u>\$ 214,072</u> | <u>\$ 35,710</u> | <u>\$ 249,782</u> |

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

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

E. Long-term Obligations (cont'd.)

Component Unit

The Redevelopment Authority for the City of Amery issued a bank promissory note in the amount of \$210,000 on January 5, 2004 for the purchase of real estate within the City of Amery to be used for future development. Future proceeds from the sale of the real estate will be applied to retire the promissory note. Interest paid on the note during 2005 totaled \$5,120 and the rate on the note at December 31, 2005 was 4.44% and renewed to 5.11% on January 5, 2006. The promissory note renews every six months by agreement between the Redevelopment Authority and bank.

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2005 consisted of the following:

| | <u>Total</u> | <u>Reserved</u> | <u>Designated</u> | <u>Undesignated</u> |
|--|-----------------------|----------------------|-----------------------|------------------------|
| Major Funds: | | | | |
| General Fund | \$ 88,959 | \$ | \$ | \$ |
| Reserved for Delinquent Taxes | | 798 | | |
| Reserved for Interfund Advances | | 27,814 | | |
| Designated (supplementary Schedule B-1) | | | 117,917 | |
| Undesignated | | | | (57,570) |
| Debt Service Fund | 86,446 | | 86,446 | |
| Nonmajor Funds: | | | | |
| Landfill Contamination and Remediation Fund | 301,291 | | 301,291 | |
| Library Fund | 57,381 | | 57,381 | |
| CDBG Revolving Loan Fund | 23,598 | | 23,598 | |
| Tax Incremental District #5 Fund | 115,594 | | 115,594 | |
| Tax Incremental District #6 Fund | <u>(27,814)</u> | | | <u>(27,814)</u> |
| Total Governmental Fund Balances at December 31, 2005 | <u>\$ 645,455</u> | <u>\$ 28,612</u> | <u>\$ 702,227</u> | <u>\$ (85,384)</u> |

G. Tax Incremental Districts

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

At the dates of the creation of the districts, the statutes provided that no project costs could be expended later than seven years after the creation date of the district. The statutes further allowed the municipality to collect tax increments for sixteen years after the last project expenditure was made or until the net project cost of the district had been recovered, whichever occurred first.

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

G. Tax Incremental Districts (cont'd.)

The State enacted several changes relating to tax incremental districts in 2004 (with amending legislation in 2005). One of these changes extended the expenditure period for all current and future districts, effective October 1, 2004, to five years prior to the termination of the district's unextended maximum life. For those districts that had reached the end of its expenditure period prior to October 1, 2004, it allowed a municipality to expend additional project costs included in the project plan (subject to certain conditions). Project costs uncollected at the dissolution date are absorbed by the municipality.

The City had terminated TID #2 and TID #3 during 2001 with closeout of the funds at December 31, 2001, and TID #4 was terminated in 2004. TID #5 and TID #6 were still in existence at December 31, 2005. The resolution creating TID #6 was dated May 5, 2004 and the resolution creating TID #5 was dated September 28, 1992. The project plans, on file in the office of the City Administrator, detail the proposed projects, the estimated years of construction or site acquisition and the estimated costs of the individual project components.

Transactions of TID #5 and TID #6 are accounted for in capital projects funds. Project expenditures through December 31, 2005 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, 2005 are summarized as follows:

| | <u>TID #5</u> | <u>TID #6</u> |
|--|---------------|---------------|
| Accumulated Project Costs (from Inception to 12/31/05): | | |
| Projects Costs | \$ 1,999,164 | \$ 574,379 |
| Debt Costs: | | |
| Interest and Fiscal Charges on Debt | 529,493 | 8,945 |
| Interest on Advances from General Fund | 30,430 | |
| Transfer of Excess Increments to Other TIDs | | |
| Total Project Costs | 2,559,087 | 583,324 |
| Accumulated Project Revenues: | | |
| Tax Increments | 1,120,183 | |
| Intergovernmental Grants | 215,842 | 101,510 |
| Interest Revenues | 8,556 | |
| Sale of Land | 276,880 | |
| Transfer of Excess Increments from TID #4 | 828,220 | |
| Total Project Revenues | 2,449,681 | 101,510 |
| Future Project Revenues Necessary to Recover Net Costs to Date | \$ 109,406 | \$ 481,814 |

The preceding summaries of transactions are reconciled to the fund balances in TID districts at December 31, 2005 as follows:

| | <u>TID #5</u> | <u>TID #6</u> |
|--|---------------|---------------|
| Outstanding Long-term Indebtedness at 12/31/05 | \$ 225,000 | \$ 454,000 |
| Less Unrecovered Project Costs Above | (109,406) | (481,814) |
| Fund Balance (Deficit) December 31, 2005 | \$ 115,594 | \$ (27,814) |

CITY OF AMERY, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005

NOTE III - DETAILED NOTES ON ALL FUNDS (cont'd.)

H. Adjustments to Beginning Net Assets

The beginning net assets of governmental activities reported in the government-wide statements was adjusted as follows:

| | |
|--|---------------------|
| Total net assets previously reported at December 31, 2004 | \$ 2,472,981 |
| Lease-purchase agreement for street cleaning equipment assumed in 2004 but not recorded until 2005 | <u>(22,228)</u> |
| Beginning net assets reported on the statement of activities for governmental funds (Exhibit 2) at January 1, 2005 | <u>\$ 2,450,753</u> |

IV. OTHER INFORMATION

A. Employee Retirement Plan

All eligible City of Amery employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year (440 for teachers) are eligible to participate in the WRS. Covered employees in the general/teacher category are required by statute to contribute 5.8% of their salary (2.8% for executives and elected officials, 4.9% for protective occupations with social security, and 3.3% for protective occupations without social security) to the plan. Employers may make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the WRS for the year ended December 31, 2005 was \$924,884; the employer's total payroll was \$1,048,500. The total required contribution for the year ended December 31, 2005 was \$110,855, which consisted of \$60,185, or 6.5% of payroll from the employer and \$50,670, or 5.5% of payroll from employees. Total contributions for the years ending December 31, 2004 and 2003 were \$103,227 and \$91,108, respectively, equal to the required contributions for each year.

The City's pension related debt at December 31, 2005 (the unfunded actuarial accrued liability for prior service costs) was \$13,519. This debt is being amortized over a 40-year period beginning January 1, 1990 with interest annually accrued on the outstanding balance at year end. The interest rate for 2005 was 7.8%.

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

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits are determined under Chapter 40 of the State Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

CITY OF AMERY, WISCONSIN

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Year Ended December 31, 2005**

IV. OTHER INFORMATION (cont'd.)

B. Fire Department Retirement Fund

The City established a retirement plan in 1991 for the benefit of members in good standing of the City of Amery Fire Department. The purpose of the Plan is to reward firefighters who have five years or more of service with the Department and particularly those firemen who put more time in firefighting. It is administered by three firefighters chosen by the Department and approved by the City Council.

The Plan is funded by annual contributions from the City as determined annually by the City Council. Transactions of the Plan are accounted for in a private purpose trust fund by the City. The balance in the fund at December 31, 2005 was \$56,308. A total of thirty-six (36) firefighters had a vested interest in the Plan at that date.

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 50% of the value, or has the option to convert the same 50% value to payment of future health insurance premiums. (Police represented employees convert the sick leave balance at a rate of 80% of the value.) To be eligible for the maximum benefit, an employee must retire at an age determined by the Wisconsin Retirement System, or is forced to retire pursuant to a duty related injury or illness. The City also allows the employee to carry over compensatory time off (time off in lieu of immediate overtime pay in cash, at rate of not less than one and one-half for each hour of overtime worked).

Liabilities for accumulated vacation, sick leave and compensatory time are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The estimated liabilities for unused vacation, sick leave and compensatory time payable from governmental funds at December 31, 2005 were \$209,641. The estimated liabilities in the proprietary funds at that date were \$77,043.

D. District Fire Hall Construction

During 2004 the City completed construction of a new fire hall building. Project costs included site preparation and the razing of an existing building on the site. Project costs and related financing have been recorded in the City's "District Fire Hall Construction" capital projects fund. Project costs incurred by the City through December 31, 2005 totaled \$1,496,917. Financing for the project included a private donation of \$500,149, a State Brownfield Grant of \$122,300 and proceeds of long-term debt. Repayment of the long-term debt is expected to be funded with revenues from the fire districts' participating municipalities (including the City).

E. 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.

CITY OF AMERY, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS For The Year Ended December 31, 2005

IV. OTHER INFORMATION (cont'd.)

E. Participation in Biosolids Facility (cont'd.)

Pursuant to an agreement establishing the City's participation in the Facility, the City was required to provide initial funding for its share of the start-up and construction costs of the Facility. Accordingly, the City authorized the issuance of \$354,703 of mortgage revenue bonds to the State of Wisconsin under the Clean Water Fund Financial Assistance Program to fund its share of the costs (see also Note III E). Proceeds of the debt were remitted directly to the Facility. The Facility is expected to fund repayment of the debt and to recover the costs thereof through user charges. The outstanding debt at December 31 2005 totaling \$214,072 is reflected in the sewer department of the City's enterprise fund. A receivable from the Facility equal to the outstanding debt and related accrued interest of \$1,132 was also recorded therein since the debt is to be funded by the Facility. The total receivable of \$215,204 at December 31 2005 was classified as \$19,657 current and \$195,547 long-term in the utility's year end statement of net assets.

F. Landfill Closure and Postclosure Costs

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

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

In further response to the demands of WDNR, the City developed a preliminary remedial action plan (RAP) which was conditionally approved by WDNR in February 1999, and construction began on a landfill cap in 1999. During 2000 construction was completed with total project costs at \$784,449. As required, the City began monitoring groundwater quality and landfill gases at the site in 2000. All costs are recorded in the City's Landfill Contamination and Remediation special revenue fund. The remedial action plan also includes future monitoring costs which were estimated at \$329,700 at December 31, 1999. The reported estimated costs at December 31, 2005 were \$188,095 (the estimated costs at December 31, 1999 reduced by monitoring costs incurred from December 31, 1999 through December 31, 2005). This amount is included in the governmental funds long-term liabilities in the City's statement of net assets at December 31, 2005. To assist in defraying the costs of this matter, the City is participating in the Wisconsin Municipal Negotiation/Cost Recovery Process as described in Section 292.35 of the Wisconsin Statutes. Through this process, the City secured a grant from WDNR in 1999 in the amount of \$350,000. In June 1999, the City submitted Offers to Settle to various identified parties that contributed wastes to the landfill totaling an additional \$575,000 of settlement demands. Through December 31, 2005 the City had received settlements from public and intergovernmental sources in the amounts of \$487,127 and \$52,995, respectively. These collections and loan proceeds have been recorded in the special revenue fund referred to above. The balance in that fund at December 31, 2005 totaled \$301,291 and is expected to be used to defray future costs related to the landfill. The City also authorized the sale of up to \$628,758 in General Obligation Land Remediation promissory notes, Series 2000, through the Wisconsin Department of Natural Resources Land Recycling Loan program. Through December 31, 2005 the City had drawn down \$481,687 of the authorized loan.

CITY OF AMERY, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS For The Year Ended December 31, 2005

IV. OTHER INFORMATION (cont'd.)

G. Golf Club

Golf Club Lease Agreement. On September 1, 1999 the City renewed a lease agreement with the Amery Golf Club, Inc. for the lease of land presently owned by the City and used exclusively by the Amery Golf Club. The term of the new lease is for twenty years effective January 1, 1999 with annual rental computed as follows:

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

At December 31, 2005, the City had no outstanding debt subject to collection from the Golf Club.

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

H. Utility Rate Increase

Joint Water and Sewer Utility

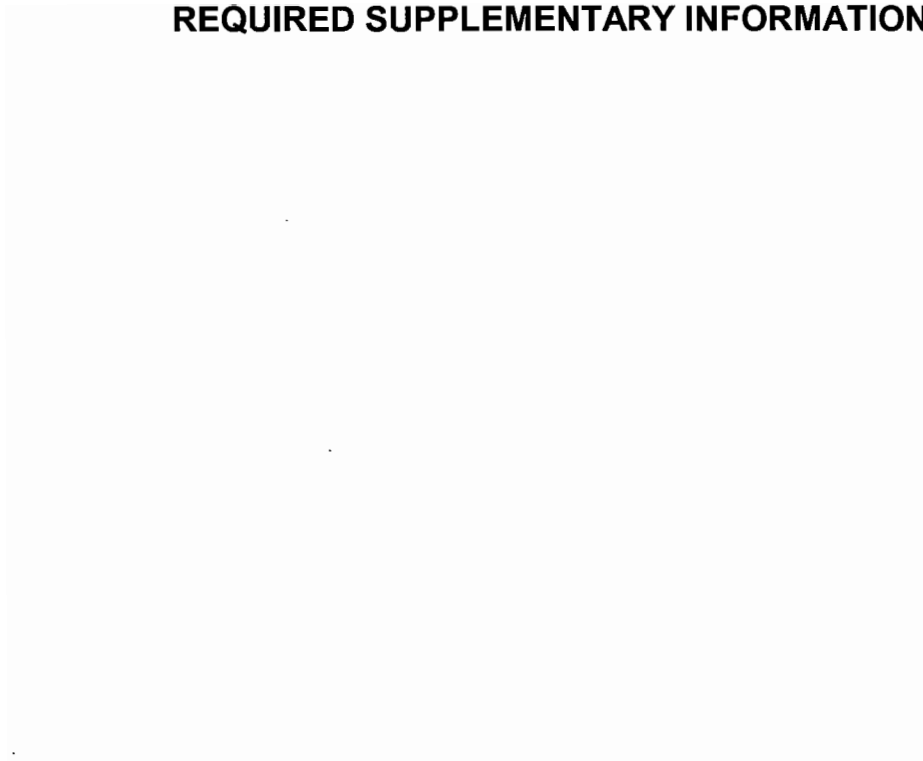
On May 10, 2004 the Wisconsin Public Service Commission granted the City's joint water and sewer utility a user charge rate increase. The rate increase was established to provide the joint utility with a 7.00% return on rate base and operating revenues of the water utility and sewer utility were expected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

I. 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.

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

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF AMERY, WISCONSIN

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2005**

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---|------------------|---------------------|------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$1,217,532 | \$1,212,902 | \$1,211,215 | \$ (1,687) |
| Special Assessments | 3,768 | 3,768 | 5,202 | 1,434 |
| Intergovernmental | 983,017 | 1,100,977 | 1,115,248 | 14,271 |
| Licenses and Permits | 40,030 | 40,030 | 50,196 | 10,166 |
| Fines and Forfeits | 38,900 | 38,900 | 42,446 | 3,546 |
| Public Charges for Services | 19,750 | 144,764 | 145,928 | 1,164 |
| Intergovernmental Charges for Services | 155,918 | 155,918 | 142,673 | (13,245) |
| Miscellaneous: | | | | |
| Interest | 13,502 | 13,502 | 16,743 | 3,241 |
| Rent | 31,800 | 31,800 | 23,817 | (7,983) |
| Sale of Village Property | | | 4,900 | 4,900 |
| Donations | | 32,100 | 32,100 | - |
| Other | 11,000 | 11,000 | 11,708 | 708 |
| Total Revenues | <u>2,515,217</u> | <u>2,785,661</u> | <u>2,802,176</u> | <u>16,515</u> |
| EXPENDITURES: | | | | |
| General Government | 389,854 | 389,854 | 366,714 | 23,140 |
| Public Safety | 916,099 | 1,212,996 | 1,218,602 | (5,606) |
| Transportation | 727,646 | 803,752 | 643,684 | 160,068 |
| Sanitation | 19,500 | 144,514 | 145,352 | (838) |
| Health and Human Services | 1,200 | 1,200 | 144 | 1,056 |
| Culture, Recreation and Education | 127,731 | 159,831 | 183,379 | (23,548) |
| Conservation and Development | 31,500 | 31,500 | 44,706 | (13,206) |
| Debt Service | 1,000 | 1,000 | | 1,000 |
| Total Expenditures | <u>2,214,530</u> | <u>2,744,647</u> | <u>2,602,581</u> | <u>142,066</u> |
| Excess of Revenues Over Expenditures | <u>300,687</u> | <u>41,014</u> | <u>199,595</u> | <u>158,581</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Long-term Debt Issued | 70,000 | 280,000 | 280,000 | - |
| Transfers In | | | 51,490 | 51,490 |
| Transfers Out | (370,687) | (370,687) | (351,534) | 19,153 |
| Total Other Financing Sources (Uses) | <u>(300,687)</u> | <u>(90,687)</u> | <u>(20,044)</u> | <u>70,643</u> |
| NET CHANGE IN FUND BALANCE | - | (49,673) | 179,551 | 229,224 |
| FUND BALANCE, JANUARY 1 | - | (90,592) | (90,592) | - |
| FUND BALANCE, DECEMBER 31 | <u>\$ -</u> | <u>\$ (140,265)</u> | <u>\$ 88,959</u> | <u>\$ 229,224</u> |

CITY OF AMERY, WISCONSIN

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended December 31, 2005**

Budgetary Information

GASB 34 requires the presentation of budgetary comparison schedules for the general fund. Budgetary information is derived from the City's annual operating budget.

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.

OTHER SUPPLEMENTARY INFORMATION



COMBINING AND INDIVIDUAL FUND STATEMENTS

**CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
For The Year Ended December 31, 2005**

| | Special Revenue Funds | | | | Capital Projects Funds | | | | Total Nonmajor Governmental Funds |
|--|--|------------------|-----------------------------------|--------------------|------------------------|-----------------|---|---------------------------------------|--|
| | Landfill Contamination & Remediation | Library | CDBG Revolving Loan Fund | Brownfield Fund | TID #5 Fund | TID #6 Fund | District Fire Hall Construction Fund | Total Capital Projects Funds | |
| ASSETS | | | | | | | | | |
| Cash and Investments | \$301,319 | \$ 67,995 | \$ 23,598 | \$ - | \$392,912 | \$ 708 | \$ - | \$116,902 | \$ 509,814 |
| Taxes Receivable | | 189,905 | | | 189,905 | 16,839 | | 142,892 | 332,797 |
| Long-term Receivables | | | 197,538 | | 197,538 | | | | 197,538 |
| Total Assets | \$301,319 | \$257,900 | \$221,136 | \$ - | \$780,355 | \$17,547 | \$ - | \$259,794 | \$1,040,149 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Vouchers Payable | \$ 28 | \$ 10,614 | \$ - | \$ - | \$ 10,642 | \$ 708 | \$ - | \$ 1,308 | \$ 11,950 |
| Deferred Revenues | | 189,905 | 197,538 | | 387,443 | 16,839 | | 142,892 | 530,335 |
| Advances from Other Funds | | | | | | 27,814 | | 27,814 | 27,814 |
| Total Liabilities | 28 | 200,519 | 197,538 | - | 398,085 | 45,361 | - | 172,014 | 570,099 |
| Fund Balances: | | | | | | | | | |
| Designated | 301,291 | 57,381 | 23,598 | | 382,270 | | | 115,594 | 497,864 |
| Undesignated | | | | | | (27,814) | | (27,814) | (27,814) |
| Total Fund Balances | 301,291 | 57,381 | 23,598 | - | 382,270 | (27,814) | - | 87,780 | 470,050 |
| Total Liabilities and Fund Balances | \$301,319 | \$257,900 | \$221,136 | \$ - | \$780,355 | \$17,547 | \$ - | \$259,794 | \$1,040,149 |

**CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For The Year Ended December 31, 2005**

| | Special Revenue Funds | | | | Capital Projects Funds | | | | Total Nonmajor Governmental Funds |
|--|--|-----------|---------------------------|---------------------|--------------------------------------|----------------|----------------|---|--|
| | Landfill Contamination & Remediation | Library | Revolving Loan Fund | Brownsfield Fund | Total Special Revenue Funds | TID #5 Fund | TID #6 Fund | District Fire Hall Construction Fund | |
| REVENUES: | | | | | | | | | |
| General Property Taxes | \$ | \$194,500 | \$ | \$ | \$194,500 | \$ | \$ | \$ | \$ |
| Tax Increments | | | | | | 132,080 | | | 132,080 |
| Intergovernmental | 10,500 | 109,487 | | 66,830 | 186,817 | | | | 186,817 |
| Miscellaneous: | | | | | | | | | |
| Interest on Investments | 264 | 225 | 200 | | 689 | 1,345 | | | 1,345 |
| Sale of City Property | | | | 55,500 | 55,500 | | | | 55,500 |
| Loan Repayments | | | 89,534 | | 89,534 | | | | 89,534 |
| Total Revenues | 10,764 | 304,212 | 89,734 | 122,330 | 527,040 | 133,425 | - | - | 660,465 |
| EXPENDITURES: | | | | | | | | | |
| Public Safety | | | | | | | 2,767 | | 2,767 |
| Sanitation | 30,604 | 287,137 | | 76,437 | 107,041 | | | | 107,041 |
| Culture, Recreation and Education | | | | | 287,137 | | | | 287,137 |
| Conservation and Development | | | 56,238 | | 56,238 | 600 | 30,975 | | 31,575 |
| Total Expenditures | 30,604 | 287,137 | 56,238 | 76,437 | 450,416 | 600 | 30,975 | 2,767 | 484,758 |
| Excess (Deficiency) of Revenues Over Expenditures | (19,840) | 17,075 | 33,496 | 45,893 | 76,624 | 132,825 | (30,975) | (2,767) | 175,707 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | |
| Long-term Debt Issued | | | | | - | | 25,000 | | 25,000 |
| Transfer to Debt Service Fund | (26,416) | | | (45,893) | (26,416) | (47,428) | | | (73,844) |
| Transfer to General Fund | | | | | (45,893) | | (5,597) | | (51,490) |
| Total Other Financing Sources (Uses) | (26,416) | - | - | (45,893) | (72,309) | (47,428) | 25,000 | (5,597) | (100,334) |
| NET CHANGE IN FUND BALANCES | (46,256) | 17,075 | 33,496 | - | 4,315 | 85,397 | (5,975) | (8,364) | 75,373 |
| FUND BALANCES, JANUARY 1 | 347,547 | 40,306 | (9,898) | - | 377,955 | 30,197 | (21,839) | 8,364 | 394,677 |
| FUND BALANCES, DECEMBER 31 | \$301,291 | \$ 57,381 | \$23,598 | \$ - | \$382,270 | \$115,594 | \$(27,814) | \$ - | \$ 470,050 |

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEETS
December 31, 2005 and 2004**

| | <u>12/31/05</u> | <u>12/31/04</u> |
|---|-------------------------------|-------------------------------|
| ASSETS | | |
| Treasurer's Cash and Investments | \$ 352,841 | \$ 28,883 |
| Departmental Cash - Courts | 8,419 | 6,587 |
| Petty Cash | 200 | 200 |
| Taxes Receivable | 946,213 | 948,973 |
| Delinquent Personal Property Taxes Receivable | 798 | 451 |
| Special Assessments Receivable | 75,516 | 90,918 |
| Refuse Accounts Receivable | 34,907 | 31,040 |
| Other Accounts Receivable | 64,331 | 66,634 |
| Advance to Redevelopment Authority | 28,388 | 20,000 |
| Advances to Other Funds: | | |
| CDBG Revolving Loan Fund | | 48,698 |
| Tax Incremental District #6 Fund | <u>27,814</u> | <u>21,839</u> |
| Total Assets | <u><u>\$1,539,427</u></u> | <u><u>\$1,264,223</u></u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Vouchers and Accounts Payable | \$ 125,697 | \$ 83,388 |
| Payroll Withholdings | | 1,011 |
| Court Penalties Due State/County | 1,332 | 1,522 |
| Mobile Home Fees Due Schools | 13,995 | 16,196 |
| Deferred Revenues: | | |
| Tax Roll Items: | | |
| General Property Taxes | 1,127,703 | 1,101,825 |
| Special Assessments - Principal | 5,482 | 5,268 |
| Special Assessments - Interest | 3,192 | 3,703 |
| Other Items | 5,050 | 1,131 |
| Utility Tax Equivalent | 65,080 | 43,266 |
| Deferred Special Assessments | 75,516 | 90,918 |
| Public Safety Grant | 19,002 | |
| Special Deposits: | | |
| Municipal Court Cash | <u>8,419</u> | <u>6,587</u> |
| Total Liabilities | <u><u>1,450,468</u></u> | <u><u>1,354,815</u></u> |
| Fund Balance: | | |
| Reserved for: | | |
| Delinquent Taxes | 798 | 451 |
| Advances to Other Funds | 27,814 | 70,537 |
| Designated: | | |
| Police Vehicles | 8,627 | 7,226 |
| Machinery Purchases | 105,721 | 42,447 |
| Park Dedication | 3,569 | 3,552 |
| Undesignated (Deficit) | <u>(57,570)</u> | <u>(214,805)</u> |
| Total Fund Balance | <u><u>88,959</u></u> | <u><u>(90,592)</u></u> |
| Total Liabilities and Fund Balance | <u><u>\$1,539,427</u></u> | <u><u>\$1,264,223</u></u> |

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2005
With Comparative Actual Amounts For The Year Ended December 31, 2004**

| | 2005 | | | Variance - Positive (Negative) | 2004 Actual |
|--|-------------------|------------------|------------------|--------------------------------------|------------------|
| | Adopted Budget | Final Budget | Actual | | |
| REVENUES: | | | | | |
| Taxes: | | | | | |
| Real and Personal Property Taxes: | | | | | |
| General Property Taxes | \$1,106,454 | \$1,101,824 | \$1,101,824 | \$ - | \$1,082,400 |
| Mobile Home Parking Permit Fees | 37,000 | 37,000 | 32,061 | (4,939) | 35,646 |
| Motel Room Taxes | 11,000 | 11,000 | 10,946 | (54) | 11,362 |
| Omitted Taxes | | | 96 | 96 | 80 |
| Interest and Penalties on Taxes | | | 71 | 71 | |
| Payments in Lieu of Taxes: | | | | | |
| DNR - Conservation Lands | | | 2,951 | 2,951 | |
| Regulated Municipally Owned Utility | 46,078 | 46,078 | 43,266 | (2,812) | 46,078 |
| Housing Authority | 17,000 | 17,000 | 20,000 | 3,000 | 20,727 |
| Total Taxes | <u>1,217,532</u> | <u>1,212,902</u> | <u>1,211,215</u> | <u>(1,687)</u> | <u>1,196,293</u> |
| Special Assessments: | | | | | |
| Street Improvements | 3,768 | 3,768 | 5,202 | 1,434 | 33,026 |
| Curb and Gutter | | | | | 3,410 |
| Total Special Assessments | <u>3,768</u> | <u>3,768</u> | <u>5,202</u> | <u>1,434</u> | <u>36,436</u> |
| Intergovernmental: | | | | | |
| Federal COPs Grant | 31,114 | 31,114 | 23,750 | (7,364) | 67,500 |
| Eldon Avenue\Cardinal Glass Project: | | | | | |
| Community Development Block Grant - State TEA Grant | | 20,794 | 20,794 | - | 96,734 |
| | | 82,865 | 82,865 | - | |
| Homeland Security Grant - Fire | | | | | 11,340 |
| FEMA Fire Equipment Grant | 100,382 | 100,382 | 140,185 | 39,803 | 95,594 |
| State Shared Taxes | 620,461 | 620,461 | 620,830 | 369 | 619,192 |
| State Exempt Computer Aid | 9,500 | 14,130 | 6,185 | (7,945) | 9,398 |
| Fire Insurance Tax | 6,000 | 6,000 | 6,480 | 480 | 6,354 |
| State Aid - Ambulance | | 3,793 | 3,793 | - | |
| State Aid - Tank Inspections | 12,000 | 12,000 | 8,991 | (3,009) | 8,034 |
| State Grant - Police Training | 1,400 | 7,278 | 7,278 | - | 1,400 |
| State General Transportation Aids | 194,160 | 194,160 | 194,097 | (63) | 178,321 |
| State Airport Improvement Grant | 8,000 | 8,000 | | (8,000) | |
| Total Intergovernmental | <u>983,017</u> | <u>1,100,977</u> | <u>1,115,248</u> | <u>14,271</u> | <u>1,093,867</u> |
| Licenses and Permits: | | | | | |
| Licenses: | | | | | |
| Liquor and Malt Beverages | 6,800 | 6,800 | 6,965 | 165 | 6,866 |
| Operators | 2,300 | 2,300 | 2,000 | (300) | 1,888 |
| Cigarette | 950 | 950 | 700 | (250) | 950 |
| Mobile Home Park | 280 | 280 | 278 | (2) | 280 |

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2005
With Comparative Actual Amounts For The Year Ended December 31, 2004**

| | 2005 | | | Variance - Positive (Negative) | 2004 Actual |
|--|-------------------|-----------------|----------------|--------------------------------------|----------------|
| | Adopted Budget | Final Budget | Actual | | |
| REVENUES: (cont'd.) | | | | | |
| Licenses and Permits: (cont'd.) | | | | | |
| Licenses: (cont'd.) | | | | | |
| Bicycle | \$ | \$ | \$ 14 | \$ 14 | \$ 4 |
| Cable TV Franchise | 14,000 | 14,000 | 14,851 | 851 | 10,405 |
| Dog Licenses Refunded from County | | | 73 | 73 | 69 |
| Zoning Permits and Fees | 500 | 500 | 450 | (50) | 1,082 |
| Other | | | 30 | 30 | 30 |
| Permits: | | | | | |
| Building Permits | 12,500 | 12,500 | 23,673 | 11,173 | 40,068 |
| Street Opening Permits | 2,000 | 2,000 | 300 | (1,700) | 5,695 |
| Garage Sale | | | 102 | 102 | 82 |
| Park | 700 | 700 | 760 | 60 | 741 |
| Total Licenses and Permits | <u>40,030</u> | <u>40,030</u> | <u>50,196</u> | <u>10,166</u> | <u>68,160</u> |
| Fines and Forfeits: | | | | | |
| Law and Ordinance Violations: | | | | | |
| County Court Penalties and Costs | 100 | 100 | 1,299 | 1,199 | 130 |
| Municipal Court Penalties and Costs | 38,000 | 38,000 | 40,532 | 2,532 | 36,977 |
| Parking Violations | 800 | 800 | 615 | (185) | 710 |
| Total Fines and Forfeits | <u>38,900</u> | <u>38,900</u> | <u>42,446</u> | <u>3,546</u> | <u>37,817</u> |
| Public Charges for Services: | | | | | |
| General Government: | | | | | |
| License Publication Fees | 600 | 600 | 600 | - | 493 |
| Sale of Materials and Supplies | 150 | 150 | 313 | 163 | 372 |
| Public Safety: | | | | | |
| Police Department Fees | 5,500 | 5,500 | 7,725 | 2,225 | 4,815 |
| Fire Department Fees | 1,000 | 1,000 | 1,049 | 49 | 1,951 |
| Public Works and Sanitation: | | | | | |
| Sidewalks | 5,000 | 5,000 | 3,215 | (1,785) | 1,709 |
| Street Sweeping | | | | | 200 |
| Private Parking Lot Maintenance | | | 1,105 | 1,105 | 6,814 |
| Taxi Revenues | 500 | 500 | 968 | 468 | 1,151 |
| Airport | 6,500 | 6,500 | 4,711 | (1,789) | 6,774 |
| Weed and Nuisance Control | | | 573 | 573 | 154 |
| Recycling Bags | | | | | |
| Landfill | 500 | 500 | 505 | 5 | 563 |
| Refuse Collection | | 125,014 | 125,014 | - | 125,603 |
| Conservation and Development: | | | | | |
| Developers Charges - Whispering Waters | | | 150 | 150 | 10,000 |
| Total Public Charges for Services | <u>19,750</u> | <u>144,764</u> | <u>145,928</u> | <u>1,164</u> | <u>160,599</u> |

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2005
With Comparative Actual Amounts For The Year Ended December 31, 2004**

| | 2005 | | | Variance - Positive (Negative) | 2004 Actual |
|---|-------------------|------------------|------------------|--------------------------------------|------------------|
| | Adopted Budget | Final Budget | Actual | | |
| REVENUES: (cont'd.) | | | | | |
| Intergovernmental Charges for Services: | | | | | |
| Counties and Municipalities: | | | | | |
| Fire Protection Services: | | | | | |
| 2% State Tax from Townships | \$ 10,075 | \$ 10,075 | \$ 10,075 | \$ - | \$ 10,416 |
| Subsidy Charges to Townships | 107,062 | 107,062 | 98,969 | (8,093) | 111,414 |
| Dam | 1,500 | 1,500 | 500 | (1,000) | 1,291 |
| Proposed Shop Addition | | | | | 6,131 |
| School Districts: | | | | | |
| Liaison Officer | 19,481 | 19,481 | 19,479 | (2) | 6,532 |
| Local Departments: | | | | | |
| Utility Equipment Rental | 5,000 | 5,000 | 850 | (4,150) | 3,606 |
| Office Space Rental to Utility | 12,800 | 12,800 | 12,800 | - | 12,800 |
| Total Intergovernmental Charges for Services | <u>155,918</u> | <u>155,918</u> | <u>142,673</u> | <u>(13,245)</u> | <u>152,190</u> |
| Miscellaneous: | | | | | |
| Interest: | | | | | |
| General Investments | 8,000 | 8,000 | 12,570 | 4,570 | 5,662 |
| Special Assessments | 5,202 | 5,202 | 3,769 | (1,433) | 6,204 |
| Interest on Tax Roll Charges | 300 | 300 | 404 | 104 | 643 |
| Rent: | | | | | |
| City Buildings | 3,600 | 3,600 | 2,075 | (1,525) | 6,708 |
| Cell Tower Space | 28,200 | 28,200 | 21,742 | (6,458) | |
| Other: | | | | | |
| Donations - Skate Park | | 32,100 | 32,100 | - | |
| Donations - Other | | | | | 145 |
| Sale of Other City Property: | | | | | |
| Fire Trucks | | | | | 1,251 |
| Other | | | 4,900 | 4,900 | 13,942 |
| Compensation for Loss of Fixed Assets | | | 11,531 | 11,531 | |
| Insurance Dividend | 10,000 | 10,000 | | (10,000) | |
| Miscellaneous | 1,000 | 1,000 | 177 | (823) | 5,065 |
| Refund of Prior Years Expenses | | | | | 882 |
| Total Miscellaneous | <u>56,302</u> | <u>88,402</u> | <u>89,268</u> | <u>866</u> | <u>40,502</u> |
| Total Revenues | <u>2,515,217</u> | <u>2,785,661</u> | <u>2,802,176</u> | <u>16,515</u> | <u>2,785,864</u> |

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2005
With Comparative Actual Amounts For The Year Ended December 31, 2004**

| | 2005 | | | Variance - Positive (Negative) | 2004 Actual |
|--|-------------------|-----------------|----------------|--------------------------------------|----------------|
| | Adopted Budget | Final Budget | Actual | | |
| EXPENDITURES: | | | | | |
| General Government: | | | | | |
| Legislative: | | | | | |
| Council | \$ 12,500 | \$ 12,500 | \$ 13,692 | \$ (1,192) | \$ 13,239 |
| Publications | 2,000 | 2,000 | 1,754 | 246 | 2,032 |
| Executive: | | | | | |
| Mayor | 12,600 | 12,600 | 12,983 | (383) | 13,579 |
| General Administration: | | | | | |
| Clerk-Treasurer | 122,334 | 122,334 | 124,933 | (2,599) | 124,405 |
| Operating Supplies | 2,000 | 2,000 | 3,731 | (1,731) | 2,758 |
| Elections | 5,000 | 5,000 | 3,340 | 1,660 | 11,261 |
| Financial Administration: | | | | | |
| Assessment of Property | 35,700 | 35,700 | 37,486 | (1,786) | 38,437 |
| Special Accounting and Independent Auditing | 7,500 | 7,500 | 13,549 | (6,049) | 8,682 |
| Legal: | | | | | |
| Municipal Court | 40,000 | 40,000 | 34,958 | 5,042 | 30,130 |
| City Attorney | 15,000 | 15,000 | 10,780 | 4,220 | 21,735 |
| Codification of Ordinances | 2,000 | 2,000 | 253 | 1,747 | 3,961 |
| Buildings and Plant: | | | | | |
| City Hall | 33,500 | 33,500 | 40,723 | (7,223) | 61,693 |
| City Hall Outlay | | | | | 51,136 |
| Other General Government: | | | | | |
| Maps | 500 | 500 | 363 | 137 | |
| Property, Liability and Workers Compensation Insurance | 96,000 | 96,000 | 63,119 | 32,881 | 74,597 |
| Illegal Taxes and Refunds | | | 1,333 | (1,333) | 129 |
| Employee Script | 2,500 | 2,500 | 2,390 | 110 | 2,085 |
| Employee Benefits Administrative Costs | 720 | 720 | 645 | 75 | 770 |
| Unemployment Compensation Benefit | | | 577 | (577) | 417 |
| Additional Expenditures from Prior Years | | | 105 | (105) | 732 |
| Total General Government | <u>389,854</u> | <u>389,854</u> | <u>366,714</u> | <u>23,140</u> | <u>461,778</u> |
| Public Safety: | | | | | |
| Police: | | | | | |
| Police Department | 528,320 | 534,198 | 548,457 | (14,259) | 494,814 |
| Police Liaison Officer | 70,077 | 70,077 | 50,017 | 20,060 | 52,925 |
| Police Department Outlay | 9,500 | 9,500 | 10,628 | (1,128) | 3,478 |
| Police Vehicles | 24,000 | 31,226 | 20,088 | 11,138 | 19,555 |
| Bicycle Safety | | | | | |
| Fire: | | | | | |
| Fire Department | 101,800 | 101,800 | 137,700 | (35,900) | 128,482 |
| Fire Department Outlay | 126,535 | 406,535 | 382,056 | 24,479 | 130,345 |
| Hydrant Rental | | | | | 115,509 |

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2005
With Comparative Actual Amounts For The Year Ended December 31, 2004**

| | 2005 | | | Variance - Positive (Negative) | 2004 Actual |
|---|-------------------|------------------|------------------|--------------------------------------|------------------|
| | Adopted Budget | Final Budget | Actual | | |
| EXPENDITURES: (cont'd.) | | | | | |
| Public Safety: (cont'd.) | | | | | |
| Inspections: | | | | | |
| Building Inspection | \$ 9,375 | \$ 9,375 | \$ 21,319 | \$ (11,944) | \$ 32,374 |
| Tank Inspections | 11,400 | 11,400 | 8,288 | 3,112 | 12,474 |
| Control: | | | | | |
| Dams | 3,000 | 3,000 | 1,718 | 1,282 | 6,840 |
| Ambulance | 31,992 | 31,992 | 31,922 | 70 | 31,295 |
| Ambulance Grant Expenditures | | 3,793 | 3,793 | - | |
| Civil Defense | 100 | 100 | 2,616 | (2,516) | 572 |
| Total Public Safety | <u>916,099</u> | <u>1,212,996</u> | <u>1,218,602</u> | <u>(5,606)</u> | <u>1,028,663</u> |
| Public Works: | | | | | |
| Transportation Facilities: | | | | | |
| Machinery and Equipment Maintenance | 92,225 | 92,225 | 64,331 | 27,894 | 78,300 |
| Machinery and Equipment Outlay: | | | | | |
| Street Sweeper | 11,782 | 11,782 | 11,772 | 10 | 11,772 |
| Utility Truck Leases | 13,776 | 13,776 | 13,784 | (8) | 13,784 |
| Other | 5,000 | 47,447 | 22,138 | 25,309 | |
| Safety | 6,800 | 6,800 | 9,185 | (2,385) | 12,903 |
| Garages and Sheds | 21,500 | 21,500 | 25,287 | (3,787) | 24,582 |
| Garages and Sheds Outlay | | | | | 104,532 |
| Shop Addition Study - Polk County Highway | | | | | 7,689 |
| Streets and Related Facilities: | | | | | |
| Street Maintenance | 152,500 | 152,500 | 132,918 | 19,582 | 140,608 |
| Road Overlays | 125,000 | 125,000 | 128,525 | (3,525) | 107,148 |
| Snow and Ice Control | 75,163 | 75,163 | 71,030 | 4,133 | 52,878 |
| Traffic Control | 3,500 | 3,500 | 4,342 | (842) | 2,936 |
| Street Lighting | 48,000 | 48,000 | 50,070 | (2,070) | 43,713 |
| Bridge Maintenance | 70,000 | | 191 | (191) | 142 |
| Storm Sewers | 26,000 | 26,000 | 19,744 | 6,256 | 24,442 |
| Sidewalk/Curb and Gutter Outlay | 25,000 | 25,000 | 8,144 | 16,856 | 25,196 |
| Eldon Street\Cardinal Glass Project | | 103,659 | 24,134 | 79,525 | 241,413 |
| Deronda Keller Project | 20,000 | 20,000 | 10,109 | 9,891 | 2,710 |
| Storm Cleanup | | | 3,140 | (3,140) | |
| Other Transportation Facilities: | | | | | |
| Airport | 30,900 | 30,900 | 26,333 | 4,567 | 21,931 |
| Airport Fuel Cleanup | | | 16,694 | (16,694) | 48 |
| Taxi Service | 500 | 500 | 1,813 | (1,313) | 528 |
| Total Transportation Facilities | <u>727,646</u> | <u>803,752</u> | <u>643,684</u> | <u>160,068</u> | <u>917,255</u> |

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2005
With Comparative Actual Amounts For The Year Ended December 31, 2004**

| | 2005 | | | Variance - Positive (Negative) | 2004 Actual |
|---|-------------------|-----------------|----------------|--------------------------------------|----------------|
| | Adopted Budget | Final Budget | Actual | | |
| EXPENDITURES: (cont'd.) | | | | | |
| Sanitation: | | | | | |
| Sanitary Landfill | \$ 14,000 | \$ 14,000 | \$ 16,334 | \$ (2,334) | \$ 16,596 |
| Refuse Collection | | 125,014 | 124,535 | 479 | 125,211 |
| Recycling/Miscellaneous Pickups | 5,500 | 5,500 | 4,441 | 1,059 | 7,736 |
| Weed Control | | | 42 | (42) | 30 |
| Total Sanitation | <u>19,500</u> | <u>144,514</u> | <u>145,352</u> | <u>(838)</u> | <u>149,573</u> |
| Health and Human Services: | | | | | |
| Cemetery | <u>1,200</u> | <u>1,200</u> | <u>144</u> | <u>1,056</u> | <u>1,827</u> |
| Culture, Recreation and Education: | | | | | |
| Library Study | | | | | |
| Community Center Subsidy | 17,000 | 17,000 | 23,259 | (6,259) | 18,374 |
| Community Center Building/Systems Repairs | | | 921 | (921) | 361 |
| Water Recreation | 600 | 600 | 381 | 219 | 432 |
| Celebrations and Entertainment | 25,766 | 25,766 | 16,924 | 8,842 | 27,268 |
| Parks | 50,040 | 50,040 | 41,047 | 8,993 | 49,550 |
| Skate Park | | 32,100 | 63,136 | (31,036) | |
| Park Mowers | 17,500 | 17,500 | 15,250 | 2,250 | 10,000 |
| Tennis Court Improvements | 5,000 | 5,000 | | 5,000 | 2,000 |
| Riverfront Development | 500 | 500 | 60 | 440 | |
| York Park | | | | | 109 |
| Golf Course | | | 7,623 | (7,623) | |
| Skating Rink | 3,325 | 3,325 | 3,352 | (27) | 3,094 |
| Cable Television | 8,000 | 8,000 | 11,426 | (3,426) | 7,765 |
| Total Culture, Recreation and Education | <u>127,731</u> | <u>159,831</u> | <u>183,379</u> | <u>(23,548)</u> | <u>118,953</u> |
| Conservation and Development: | | | | | |
| Tree Maintenance and Restoration | 2,500 | 2,500 | 324 | 2,176 | |
| Advertising and Promotion | 6,000 | 6,000 | 6,399 | (399) | 1,688 |
| Economic Development | | | 5,690 | (5,690) | 46 |
| Planning Commission | 1,000 | 1,000 | 403 | 597 | 684 |
| Planning Office | 10,000 | 10,000 | 3,676 | 6,324 | 3,451 |
| Smart Growth Plan | 9,000 | 9,000 | | 9,000 | |
| Zoning | 2,000 | 2,000 | 6,696 | (4,696) | 5,403 |
| Shoreline Restoration | 1,000 | 1,000 | | 1,000 | |
| Redevelopment Authority | | | 227 | (227) | |
| CDBG Housing Rehabilitation Grant | | | 2,139 | (2,139) | |
| Whispering Water Development | | | 19,152 | (19,152) | 2,117 |
| Total Conservation and Development | <u>31,500</u> | <u>31,500</u> | <u>44,706</u> | <u>(13,206)</u> | <u>13,389</u> |

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2005
With Comparative Actual Amounts For The Year Ended December 31, 2004**

| | 2005 | | | Variance - Positive (Negative) | 2004 Actual |
|---|-------------------|---------------------|------------------|--------------------------------------|--------------------|
| | Adopted Budget | Final Budget | Actual | | |
| EXPENDITURES: (cont'd.) | | | | | |
| Debt Service: | | | | | |
| Interest on Temporary Loans | \$ 1,000 | \$ 1,000 | \$ - | \$ 1,000 | \$ 1,166 |
| Total Expenditures | <u>2,214,530</u> | <u>2,744,647</u> | <u>2,602,581</u> | <u>142,066</u> | <u>2,692,604</u> |
| Excess of Revenues Over Expenditures | <u>300,687</u> | <u>41,014</u> | <u>199,595</u> | <u>158,581</u> | <u>93,260</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Long-term Debt Issued: | | | | | |
| General Obligation Notes: | | | | | |
| Bridge Street | 70,000 | | | | 70,000 |
| Fire Truck | | 280,000 | 280,000 | - | |
| Street Equipment | | | | | 23,000 |
| City Shop Building | | | | | 327,150 |
| Transfers In: | | | | | |
| Transfer from Special Revenue Fund | | | 45,893 | 45,893 | |
| Transfer from Capital Projects Fund | | | 5,597 | 5,597 | |
| Transfers Out: | | | | | |
| Transfers to Debt Service Fund | (365,687) | (365,687) | (346,534) | 19,153 | (381,095) |
| Transfer to Fire Department Expendable Trust Fund | (5,000) | (5,000) | (5,000) | - | (5,000) |
| Total Other Financing Sources (Uses) | <u>(300,687)</u> | <u>(90,687)</u> | <u>(20,044)</u> | <u>70,643</u> | <u>34,055</u> |
| NET CHANGE IN FUND BALANCE [1] | - | (49,673) | 179,551 | 229,224 | 127,315 |
| FUND BALANCE, JANUARY 1 | - | (90,592) | (90,592) | - | (217,907) |
| FUND BALANCE, DECEMBER 31 | <u>\$ -</u> | <u>\$ (140,265)</u> | <u>\$ 88,959</u> | <u>\$ 229,224</u> | <u>\$ (90,592)</u> |

[1] Budget difference of \$49,673 consisted of the following beginning balances designated for:

| | |
|---------------------|------------------|
| Police Vehicles | \$ 7,226 |
| Machinery Purchases | 42,447 |
| | <u>\$ 49,673</u> |

SCHEDULE C-1

CITY OF AMERY, WISCONSIN
DEBT SERVICE FUNDS
DETAILED BALANCE SHEET
December 31, 2005

| | | General Long-term Debt Redemption Fund | | | | |
|--------------------------------------|--|--|--------|--------------|--|-----------|
| | | Landfill | TID #5 | Fire Hall | | |
| General | | Remediation | Debt | Construction | | Totals |
| City | | Debt | Debt | Debt | | |
| \$ | | \$ | \$ | \$ 86,446 | | \$ 86,446 |
| | | | | 65,497 | | 65,497 |
| | | | | 373,979 | | 373,979 |
| \$ - | | \$ - | \$ - | \$525,922 | | \$525,922 |
| ASSETS: | | | | | | |
| Treasurer's Cash and Investments | | | | | | |
| Long-term Receivables: | | | | | | |
| Alden Township | | | | | | |
| Lincoln Township | | | | | | |
| Total Assets | | | | | | |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| \$ - | | \$ - | \$ - | \$439,476 | | \$439,476 |
| Fund Balances: | | | | | | |
| - | | - | - | 86,446 | | 86,446 |
| \$ - | | \$ - | \$ - | \$525,922 | | \$525,922 |
| Total Liabilities and Fund Balances | | | | | | |

**CITY OF AMERY, WISCONSIN
DEBT SERVICE FUNDS
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended December 31, 2005**

| | | General Long-term Debt Redemption Fund | | | | |
|--|------------------|--|-----------------|------------------|--|------------------|
| | | Landfill | | Fire Hall | | |
| | | Remediation | TID #5 | Construction | | |
| | | Debt | Debt | Debt | | Totals |
| REVENUES: | General City | | | | | |
| Contributions to Fire Hall Construction | \$ - | \$ - | \$ - | \$ 144,619 | | \$ 144,619 |
| EXPENDITURES: | | | | | | |
| Debt Service: | | | | | | |
| General Obligation Notes: | | | | | | |
| Principal Retirement | \$ 268,289 | \$ 24,459 | \$ 35,000 | \$ 49,000 | | \$ 376,748 |
| Interest and Fiscal Charges | 55,736 | 1,957 | 12,428 | 31,682 | | 101,803 |
| Total Expenditures | 324,025 | 26,416 | 47,428 | 80,682 | | 478,551 |
| Excess (Deficiency) of Revenues Over Expenditures | (324,025) | (26,416) | (47,428) | 63,937 | | (333,932) |
| OTHER FINANCING SOURCES: | | | | | | |
| Operating Transfers From: | | | | | | |
| General Fund | 324,025 | | | 22,509 | | 346,534 |
| Special Revenue Funds | | 26,416 | | | | 26,416 |
| Capital Projects Funds | | | 47,428 | | | 47,428 |
| Total Other Financing Sources | 324,025 | 26,416 | 47,428 | 22,509 | | 420,378 |
| NET CHANGE IN FUND BALANCE | - | - | - | 86,446 | | 86,446 |
| FUND BALANCES, JANUARY 1 | - | - | - | - | | - |
| FUND BALANCES, DECEMBER 31 | \$ - | \$ - | \$ - | \$ 86,446 | | \$ 86,446 |

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
STATEMENTS OF NET ASSETS
December 31, 2005 and 2004**

| | <u>12/31/05</u> | <u>12/31/04</u> |
|--|---------------------------|---------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Investments | \$ 691,474 | \$ 787,986 |
| Customer Accounts Receivable | 86,289 | 52,095 |
| Due from Other Governments | | 41,396 |
| Other Accounts Receivable | 978 | |
| Accounts Receivable from Tax Roll | 9,022 | 4,571 |
| Materials and Supplies | 29,732 | 26,799 |
| Total Current Assets | <u>817,495</u> | <u>912,847</u> |
| Capital Assets: | | |
| Utility Plant in Service | 4,011,482 | 3,917,861 |
| Less Accumulated Depreciation | 893,393 | 813,029 |
| Net Capital Assets | <u>3,118,089</u> | <u>3,104,832</u> |
| Other Assets and Deferred Charges: | | |
| Unamortized Debt Discount | <u>7,343</u> | <u>8,433</u> |
| Total Assets | <u><u>\$3,942,927</u></u> | <u><u>\$4,026,112</u></u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | \$ 2,062 | \$ 31,667 |
| Construction Payables | | 102,594 |
| Interest Accrued | 2,768 | 3,494 |
| Current Portion of Long-term Liabilities: | | |
| General Obligation Debt | 37,000 | 51,574 |
| Accrued Employee Benefits | 6,288 | 7,998 |
| Total Current Liabilities | <u>48,118</u> | <u>197,327</u> |
| Long-term Liabilities (Less Current Portion): | | |
| General Obligation Notes | 873,000 | 910,000 |
| Accrued Employee Benefits | 23,124 | 20,752 |
| Total Long-term Liabilities | <u>896,124</u> | <u>930,752</u> |
| Total Liabilities | <u>944,242</u> | <u>1,128,079</u> |
| NET ASSETS | | |
| Invested in Capital Assets, Net of Related Debt | 2,215,432 | 2,143,258 |
| Unrestricted | 783,253 | 754,775 |
| Total Net Assets | <u>2,998,685</u> | <u>2,898,033</u> |
| Total Liabilities and Net Assets | <u><u>\$3,942,927</u></u> | <u><u>\$4,026,112</u></u> |

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
For The Years Ended December 31, 2005 and 2004**

| | <u>2005</u> | <u>2004</u> |
|---|------------------------|------------------------|
| OPERATING REVENUES: | | |
| Sales of Water: | | |
| Residential | \$ 130,769 | \$ 119,551 |
| Commercial | 61,927 | 58,087 |
| Industrial | 16,999 | 14,696 |
| Public Authorities | 17,466 | 16,712 |
| Public Fire Protection | 131,806 | 115,509 |
| Private Fire Protection | 7,254 | 6,518 |
| Total Sales of Water | <u>366,221</u> | <u>331,073</u> |
| Other Operating Revenues: | | |
| Forfeited Discounts | 758 | 708 |
| Tower Rents | | 13,350 |
| Miscellaneous Revenues | 2,907 | 2,263 |
| Total Other Operating Revenues | <u>3,665</u> | <u>16,321</u> |
| Total Operating Revenues | <u>369,886</u> | <u>347,394</u> |
| OPERATING EXPENSES: | | |
| Operation and Maintenance | 153,986 | 199,820 |
| Depreciation | 80,484 | 64,856 |
| Taxes | 69,494 | 47,679 |
| Total Operating Expenses | <u>303,964</u> | <u>312,355</u> |
| OPERATING INCOME | <u>65,922</u> | <u>35,039</u> |
| NONOPERATING REVENUES (EXPENSES): | | |
| Interest Revenue | 820 | 416 |
| Interest Expense | (35,061) | (19,459) |
| Amortization of Debt Discount and Issuance Expenses | (1,089) | (567) |
| Total Nonoperating Revenues (Expenses) | <u>(35,330)</u> | <u>(19,610)</u> |
| INCOME BEFORE CONTRIBUTIONS | <u>30,592</u> | <u>15,429</u> |
| CAPITAL CONTRIBUTIONS: | | |
| Hookup Fees | 4,518 | 6,941 |
| Plant Funded by Government Grants | 65,542 | 429,458 |
| Plant Contributed by Customers and Developers | | 41,314 |
| Total Capital Contributions | <u>70,060</u> | <u>477,713</u> |
| CHANGE IN NET ASSETS | 100,652 | 493,142 |
| NET ASSETS, JANUARY 1 | <u>2,898,033</u> | <u>2,404,891</u> |
| NET ASSETS, DECEMBER 31 | <u>\$2,998,685</u> | <u>\$2,898,033</u> |

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY
WATER DEPARTMENT
STATEMENTS OF CASH FLOWS
For The Year Ended December 31, 2005 and 2004**

| | <u>2005</u> | <u>2004</u> |
|---|-------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from Utility Customers | \$196,539 | \$ 224,435 |
| Cash Received for Public Fire Protection | 131,806 | 115,508 |
| Cash Received from Sewer Share of Meter Related Expense | 23,026 | 18,847 |
| Cash Payments to Suppliers for Goods and Services | (112,179) | (135,412) |
| Cash Payments for Employee Services | (67,889) | (76,803) |
| Cash Payments of Tax Equivalents | <u>(65,080)</u> | <u>(43,266)</u> |
| Net Cash Provided by Operating Activities | <u>106,223</u> | <u>103,309</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Cash Payments for Capital Assets | (227,062) | (1,134,888) |
| Cash Received from Capital Contributed by Utility Customers | 4,335 | 7,745 |
| Cash Received from Governmental Grants as Contributed Capital | 106,938 | 338,062 |
| Cash Received from Proceeds of Long-term Debt | | 919,000 |
| Principal Paid on Long-term Debt | (51,574) | (37,824) |
| Interest Paid on Long-term Debt | <u>(35,787)</u> | <u>(17,836)</u> |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>(203,150)</u> | <u>74,259</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Received on Tax Roll Items | <u>415</u> | <u>563</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (96,512) | 178,131 |
| CASH AND CASH EQUIVALENTS, JANUARY 1 | <u>787,986</u> | <u>609,855</u> |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | <u><u>\$691,474</u></u> | <u><u>\$ 787,986</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating Income | \$ 65,922 | \$ 35,039 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Depreciation Accruals | 82,614 | 66,813 |
| Amortization Expense | | 12,365 |
| Changes in Assets and Liabilities: | | |
| Increase in Customer Accounts Receivable | (34,194) | (6,007) |
| Decrease (Increase) in Due from Other Funds | (4,842) | 661 |
| Decrease (Increase) in Inventories | (2,933) | 406 |
| Increase (Decrease) in Accrued Benefits | 662 | (2,976) |
| Decrease in Accounts Payable | <u>(1,006)</u> | <u>(2,992)</u> |
| Net Cash Provided by Operating Activities | <u><u>\$106,223</u></u> | <u><u>\$ 103,309</u></u> |

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
DETAIL OF OPERATION AND MAINTENANCE EXPENSES
For The Year Ended December 31, 2005

| | <u>2005</u> | <u>2004</u> |
|--|-------------------------|-------------------------|
| Sources of Supply: | | |
| Operation Labor | \$ 35 | \$ 374 |
| Supplies and Expense | 431 | 130 |
| Maintenance of Source Plant | 7,270 | 4,363 |
| Total Sources of Supply | <u>7,736</u> | <u>4,867</u> |
| Pumping: | | |
| Operation Labor | | 101 |
| Fuel for Pumping | 9,605 | 10,863 |
| Supplies and Expense | | 971 |
| Maintenance of Pumping Plant | | 4 |
| Total Pumping | <u>9,605</u> | <u>11,939</u> |
| Water Treatment: | | |
| Operation Labor | 444 | 372 |
| Chemicals | 12,544 | 14,080 |
| Operating Supplies and Expenses | 2,984 | 910 |
| Maintenance of Plant | 253 | 297 |
| Total Water Treatment | <u>16,225</u> | <u>15,659</u> |
| Transmission and Distribution: | | |
| Operation Labor | 1,621 | 7,069 |
| Operation Supplies and Expenses | 800 | 998 |
| Maintenance of Reservoirs (Amortization of Water Tower Painting) | | 16,946 |
| Maintenance of Mains | 23,521 | 22,929 |
| Maintenance of Services | 433 | 7,912 |
| Maintenance of Meters | 10,618 | 9,805 |
| Maintenance of Hydrants | 508 | 1,189 |
| Maintenance of Other Transmission and Distribution Plant | 1,944 | 3,231 |
| Total Transmission and Distribution | <u>39,445</u> | <u>70,079</u> |
| Customer Accounts: | | |
| Meter Reading Labor | 2,200 | 1,670 |
| Accounting and Collecting Labor | 7,490 | 7,326 |
| Office Supplies and Expenses | 507 | 523 |
| Total Customer Accounts | <u>10,197</u> | <u>9,519</u> |
| Administrative and General: | | |
| Administrative and General Salaries | 13,479 | 15,356 |
| Office Supplies and Expenses | 4,729 | 6,298 |
| Outside Services Employed | 4,975 | 12,561 |
| Property and Liability Insurance | 9,450 | 9,426 |
| Injuries and Damages | 2,485 | 4,451 |
| Employees Pensions and Benefits | 24,806 | 27,013 |
| Regulatory Commission Expenses | | 1,778 |
| Miscellaneous General Expenses | 7,794 | 7,751 |
| Transportation Expenses | 3,060 | 3,123 |
| Total Administrative and General | <u>70,778</u> | <u>87,757</u> |
| TOTAL OPERATION AND MAINTENANCE | <u><u>\$153,986</u></u> | <u><u>\$199,820</u></u> |

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
STATEMENTS OF NET ASSETS
December 31, 2005 and 2004**

| | <u>12/31/05</u> | <u>12/31/04</u> |
|--|----------------------------|----------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Investments | \$ (540,218) | \$ (543,846) |
| Customer Accounts Receivable | 138,397 | 133,797 |
| Accounts Receivable from Tax Roll | 15,539 | 10,682 |
| Other Accounts Receivable | 978 | 61 |
| Final Billing Adjustment - Biosolids | 7,635 | 7,109 |
| Current Portion of Advance to Biosolids Facility | 19,657 | 19,183 |
| Materials and Supplies | 4,089 | 4,114 |
| Total Current Assets | <u>(353,923)</u> | <u>(368,900)</u> |
| Restricted Assets: | | |
| Equipment Replacement Investments | <u>141,526</u> | <u>137,945</u> |
| Capital Assets: | | |
| Utility Plant in Service | 4,724,025 | 4,722,827 |
| Less Accumulated Depreciation | <u>1,560,330</u> | <u>1,417,374</u> |
| Net Capital Assets | <u>3,163,695</u> | <u>3,305,453</u> |
| Other Assets and Deferred Charges: | | |
| Advance to Biosolids Facility (Less Current Portion) | <u>195,547</u> | <u>214,072</u> |
| Total Assets | <u><u>\$ 3,146,845</u></u> | <u><u>\$ 3,288,570</u></u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | \$ 8,772 | \$ 8,395 |
| Interest Accrued | 7,809 | 9,080 |
| Current Portion of Long-term Liabilities: | | |
| General Obligation Debt | | 15,574 |
| Revenue Bonds: | | |
| Treatment Plant Renovation | 107,976 | 104,621 |
| Biosolids Facility | 18,525 | 17,956 |
| Accrued Employee Benefits | 10,182 | 13,303 |
| Total Current Liabilities | <u>153,264</u> | <u>168,929</u> |
| Long-term Liabilities (Less Current Portion): | | |
| Revenue Bonds - Treatment Plant Renovation | 1,141,651 | 1,249,628 |
| Revenue Bonds - Biosolids Facility | 195,547 | 214,072 |
| Accrued Employee Benefits | 37,449 | 34,518 |
| Total Long-term Liabilities | <u>1,374,647</u> | <u>1,498,218</u> |
| Total Liabilities | <u>1,527,911</u> | <u>1,667,147</u> |
| NET ASSETS | | |
| Invested in Capital Assets, Net of Related Debt | 1,914,068 | 1,935,630 |
| Restricted for Equipment Replacement | 141,526 | 137,945 |
| Unrestricted | (436,660) | (452,152) |
| Total Net Assets | <u>1,618,934</u> | <u>1,621,423</u> |
| Total Liabilities and Net Assets | <u><u>\$ 3,146,845</u></u> | <u><u>\$ 3,288,570</u></u> |

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY
SEWER DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
For the Years Ended December 31, 2005 and 2004**

| | <u>2005</u> | <u>2004</u> |
|---|--------------------|--------------------|
| OPERATING REVENUES: | | |
| Sewerage Revenues: | | |
| Residential | \$ 328,121 | \$ 314,446 |
| Commercial | 168,843 | 168,160 |
| Industrial | 59,302 | 50,247 |
| Public Authorities | 41,613 | 40,028 |
| Total Sewerage Revenues | <u>597,879</u> | <u>572,881</u> |
| Other Operating Revenues: | | |
| Forfeited Discounts | 1,469 | 2,015 |
| Miscellaneous Revenues | | 50 |
| Total Other Operating Revenues | <u>1,469</u> | <u>2,065</u> |
| Total Operating Revenues | <u>599,348</u> | <u>574,946</u> |
| OPERATING EXPENSES: | | |
| Operation and Maintenance | 410,771 | 420,949 |
| Depreciation | 145,086 | 144,123 |
| Taxes | 10,608 | 10,600 |
| Total Operating Expenses | <u>566,465</u> | <u>575,672</u> |
| OPERATING INCOME (LOSS) | <u>32,883</u> | <u>(726)</u> |
| NONOPERATING REVENUES (EXPENSES): | | |
| Interest Income | 4,994 | 2,445 |
| Interest on Advance to Biosolids Facility | 6,982 | 7,546 |
| Interest Expense | (48,326) | (52,981) |
| Total Nonoperating Revenues (Expenses) | <u>(36,350)</u> | <u>(42,990)</u> |
| LOSS BEFORE CONTRIBUTIONS | <u>(3,467)</u> | <u>(43,716)</u> |
| CAPITAL CONTRIBUTIONS: | | |
| Hookup Fees | 978 | 3,248 |
| Plant Contributed by Customers and Developers | | 46,655 |
| Total Capital Contributions | <u>978</u> | <u>49,903</u> |
| CHANGE IN NET ASSETS | (2,489) | 6,187 |
| NET ASSETS, JANUARY 1 | <u>1,621,423</u> | <u>1,615,236</u> |
| NET ASSETS, DECEMBER 31 | <u>\$1,618,934</u> | <u>\$1,621,423</u> |

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY
SEWER DEPARTMENT
STATEMENTS OF CASH FLOWS
For The Year Ended December 31, 2005 and 2004**

| | <u>2005</u> | <u>2004</u> |
|--|---------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from Utility Customers | \$ 590,392 | \$ 576,138 |
| Cash Received from Sewer Share of Meter Related Expense | (23,026) | (18,847) |
| Cash Payments to Suppliers for Goods and Services | (242,381) | (253,122) |
| Cash Payments for Employee Services | (158,414) | (167,880) |
| Net Cash Provided by Operating Activities | <u>166,571</u> | <u>136,289</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Cash Payments for Capital Assets | (1,198) | (3,953) |
| Cash Received from Capital Contributed by Utility Customers | | 4,834 |
| Principal Paid on Long-term Debt | (120,196) | (116,195) |
| Interest Paid on Long-term Debt | (42,520) | (46,566) |
| Net Cash Used for Capital and Related Financing Activities | <u>(163,914)</u> | <u>(161,880)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Received on Investments | 3,581 | 1,474 |
| Interest Received on Tax Roll Items | 971 | 1,372 |
| Net Cash Provided from Investing Activities | <u>4,552</u> | <u>2,846</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 7,209 | (22,745) |
| CASH AND CASH EQUIVALENTS, JANUARY 1 | <u>(405,901)</u> | <u>(383,156)</u> |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | <u><u>\$(398,692)</u></u> | <u><u>\$(405,901)</u></u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating Income (Loss) | \$ 32,883 | \$ (726) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | |
| Depreciation Accruals | 142,956 | 142,166 |
| Changes in Assets and Liabilities: | | |
| Increase in Customer Accounts Receivable | (4,600) | (1,428) |
| Increase in Other Accounts Receivable | (466) | (3,239) |
| Decrease (Increase) in Due from Other Funds | (4,415) | 2,427 |
| Decrease in Inventories | 26 | 169 |
| Decrease in Accrued Employee Benefits | (190) | (4,953) |
| Increase in Accounts Payable | 377 | 1,873 |
| Net Cash Provided by Operating Activities | <u>\$ 166,571</u> | <u>\$ 136,289</u> |
| RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS: | | |
| Cash and Investments per Exhibit 5: | | |
| Cash and Investments - Unrestricted | \$(540,218) | \$(543,846) |
| Cash and Investments - Restricted | <u>141,526</u> | <u>137,945</u> |
| Cash and Cash Equivalents per Statement of Net Assets | <u><u>\$(398,692)</u></u> | <u><u>\$(405,901)</u></u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: | | |
| Long-term Debt Paid Directly by Biosolids Facility: | | |
| Principal Repaid | \$ 17,956 | \$ 17,403 |
| Interest Paid | \$ 7,077 | \$ 7,638 |

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
DETAIL OF OPERATION AND MAINTENANCE EXPENSES
For The Years Ended December 31, 2005 and 2004**

| | <u>2005</u> | <u>2004</u> |
|---|--------------------------|--------------------------|
| Operation: | | |
| Salaries and Wages | \$ 90,761 | \$ 97,676 |
| Fuel or Power Purchased for Pumping | 36,093 | 37,298 |
| Chemicals | 8,861 | 10,443 |
| Biosolids Facility Expense | 78,144 | 83,874 |
| Outside Testing | 8,580 | 8,334 |
| Operating Supplies and Expenses | 25,374 | 18,539 |
| Transportation Expenses | 4,049 | 3,127 |
| Total Operation | <u>251,862</u> | <u>259,291</u> |
| Maintenance: | | |
| Sewage Collection System | 22,206 | 33,190 |
| Collection Pumping Equipment | 1,334 | 3,164 |
| Treatment and Disposal Plant Equipment | 14,639 | 12,021 |
| General Plant Equipment | 6,003 | 3,709 |
| Total Maintenance | <u>44,182</u> | <u>52,084</u> |
| Customer Accounting and Collection: | | |
| Meter Reading Labor | 2,200 | 1,670 |
| Billing, Collecting and Accounting Salaries | 7,059 | 7,389 |
| Total Customer Accounting and Collection | <u>9,259</u> | <u>9,059</u> |
| Administrative and General: | | |
| Administrative and General Salaries | 13,447 | 12,682 |
| Office Supplies and Expenses | 4,575 | 5,226 |
| Outside Services Employed | 7,025 | 5,226 |
| Insurance Expense | 17,467 | 20,311 |
| Employee Pensions and Benefits | 50,212 | 43,402 |
| Regulatory Commission Expense | | 1,778 |
| Miscellaneous General Expenses | 6,342 | 5,490 |
| Rents | 6,400 | 6,400 |
| Total Administrative and General | <u>105,468</u> | <u>100,515</u> |
| Total Operation and Maintenance Expenses | <u><u>\$ 410,771</u></u> | <u><u>\$ 420,949</u></u> |

OTHER SCHEDULES

CITY OF AMERY, WISCONSIN
DETAILED RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
 For The Year Ended December 31, 2005

| | Total Governmental Funds | Capital Assets | Long-term Receivables/ Deferred Revenues | Long-term Debt | Other Long-term Obligations | Interfund Transactions | Statement of Activities |
|--|--------------------------------|-------------------|---|-------------------|-----------------------------------|---------------------------|----------------------------|
| REVENUES/OTHER SOURCES: | | | | | | | |
| Revenues: | | | | | | | |
| Taxes | \$ 1,537,795 | \$ | \$ 21,814 | \$ | \$ | \$ | \$ 1,559,609 |
| Special Assessments | 5,202 | | (5,202) | | | | - |
| Intergovernmental | 1,302,065 | | | | | | 1,302,065 |
| Licenses and Permits | 50,196 | | | | | | 50,196 |
| Fines and Forfeits | 42,446 | | | | | | 42,446 |
| Public Charges for Services | 145,928 | | 3,919 | | | | 149,847 |
| Intergovernmental Charges for Services | 287,292 | | 439,476 | | | | 726,768 |
| Miscellaneous: | | | | | | | |
| Interest | 18,777 | | (511) | | | | 18,266 |
| Rent | 23,817 | | | | | | 23,817 |
| Sale of Property | 60,400 | (55,500) | | | | | 4,900 |
| Donations | 32,100 | | | | | | 32,100 |
| Loan Repayments | 89,534 | | (74,140) | | | | 15,394 |
| Other | 11,708 | | | | | | 11,708 |
| Other Sources: | | | | | | | |
| Long-term Debt Issued | 305,000 | | | (305,000) | | | - |
| Transfers In | 471,868 | | | | | (471,868) | - |
| Total Revenues/Other Sources | 4,384,128 | (55,500) | 385,356 | (305,000) | - | (471,868) | 3,937,116 |
| EXPENDITURES/EXPENSES/OTHER USES: | | | | | | | |
| Expenditures/Expenses: | | | | | | | |
| General Government | 366,714 | | 9,986 | | (11,220) | | 365,480 |
| Public Safety | 1,221,369 | (316,741) | | | 9,925 | 5,000 | 919,553 |
| Transportation | 643,684 | 67,257 | | (10,900) | 9,468 | | 709,509 |
| Sanitation | 252,393 | | | | (30,015) | | 222,378 |
| Health and Human Services | 144 | | | | | | 144 |
| Culture, Recreation and Education | 470,516 | (49,601) | | | | | 420,915 |
| Conservation and Development | 132,519 | | | | | | 132,519 |
| Debt Service: | | | | | | | |
| Principal Retirement | 376,748 | | | (376,748) | | | - |
| Interest and Fiscal Charges | 101,803 | | | 32,170 | | | 133,973 |
| Other Uses: | | | | | | | |
| Transfers Out | 476,868 | | | | | (476,868) | - |
| Total Expenditures/Expenses/Other Uses | 4,042,758 | (299,085) | 9,986 | (355,478) | (21,842) | (471,868) | 2,904,471 |
| NET CHANGE FOR YEAR | \$ 341,370 | \$ 243,585 | \$ 375,370 | \$ 50,478 | \$ 21,842 | \$ - | \$ 1,032,645 |

SCHEDULE F-1

CITY OF AMERY, WISCONSIN
 GENERAL OBLIGATION PROMISSORY NOTES DATED AUGUST 16, 1997
 Outstanding December 31, 2005

| Date | Total Issue | | General City | | TID #5 | |
|-----------|----------------------|---------------------|----------------------|--------------------|----------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 6/1/2006 | \$ - | \$ 8,017.50 | \$ - | \$ 2,626.25 | \$ - | \$ 5,391.25 |
| 12/1/2006 | 90,000.00 | 8,017.50 | 55,000.00 | 2,626.25 | 35,000.00 | 5,391.25 |
| 6/1/2007 | 245,000.00 | 5,880.00 | 55,000.00 | 1,320.00 | 190,000.00 | 4,560.00 |
| | <u>\$ 335,000.00</u> | <u>\$ 21,915.00</u> | <u>\$ 110,000.00</u> | <u>\$ 6,572.50</u> | <u>\$ 225,000.00</u> | <u>\$ 15,342.50</u> |

CITY OF AMERY, WISCONSIN
 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2003B
 DATED AUGUST 20, 2003

NEW FIRE HALL PORTION ONLY

Due from Alden and Blackbrook Townships, at December 31, 2005

| Date | Total Receivable | | Alden Township | | Lincoln Township | |
|------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2006 | \$ 42,132.06 | \$ 16,040.85 | \$ 6,278.28 | \$ 2,390.63 | \$ 35,853.78 | \$ 13,650.22 |
| 2007 | 43,669.89 | 14,503.02 | 6,507.44 | 2,161.47 | 37,162.45 | 12,341.55 |
| 2008 | 45,263.84 | 12,909.07 | 6,744.96 | 1,923.95 | 38,518.88 | 10,985.12 |
| 2009 | 46,915.97 | 11,246.94 | 6,991.16 | 1,667.75 | 39,924.81 | 9,579.19 |
| 2010 | 48,628.40 | 9,544.51 | 7,246.33 | 1,422.58 | 41,382.07 | 8,121.93 |
| 2011 | 50,403.34 | 7,769.57 | 7,510.82 | 1,158.09 | 42,892.52 | 6,611.48 |
| 2012 | 52,243.06 | 5,929.85 | 7,784.97 | 883.94 | 44,458.09 | 5,045.91 |
| 2013 | 54,149.93 | 3,982.98 | 8,069.12 | 559.79 | 46,080.81 | 3,423.19 |
| 2014 | 56,068.76 | 2,104.15 | 8,363.64 | 305.27 | 47,705.12 | 1,798.88 |
| | <u>\$ 439,475.25</u> | <u>\$ 84,030.94</u> | <u>\$ 65,496.72</u> | <u>\$ 12,473.47</u> | <u>\$ 373,978.53</u> | <u>\$ 71,557.47</u> |
| | | <u>\$ 523,506.19</u> | | <u>\$ 77,970.19</u> | | <u>\$ 445,536.00</u> |

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