

CITY OF AMERY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2007

**CITY OF AMERY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2007**

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INDEPENDENT AUDITORS' REPORT

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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's Council and management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amery, Wisconsin as of December 31, 2007, 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 3 through 13 and 54 and 55, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules presented as other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The prior year partial comparative supplementary information has been derived from the City's 2006 financial statements, and, our report dated September 13, 2007 on the supplementary information stated such information had been subjected to the auditing procedures applied in the audit of the 2006 basic financial statements taken as a whole.


LarsonAllen LLP

Eau Claire, Wisconsin
August 21, 2008

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007**

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, 2007. Please consider this information in conjunction with the City's financial statements, which begin on page 14 following this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2007 include the following:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$6,673,221 (*net assets*). Of this amount, \$6,875,112 represented the City's investment in capital assets, net of related debt, \$648,299 was held for restricted purposes, and the remaining negative balance of \$850,190 was shown as unrestricted. The unrestricted net assets generally may be used to meet the City's ongoing obligations to citizens and creditors.
- During the fiscal year, the City's total net assets decreased by \$317,786. Net assets related to the business-type activities of the City increased \$48,787, while net assets related to governmental activities decreased \$366,573.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$58,042, a decrease of \$497,939 from the previous year.
- At the end of 2007, the unreserved, undesignated general fund balance was a negative \$240,820.
- The City's total long-term debt decreased by \$635,454 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007**

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, transportation, sanitation, health and human services, culture, recreation and education, and conservation and development. The business-type activities of the City include the water department and the sewer department of a joint water and sewer utility.

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

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

Fund Financial Statements

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

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

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

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the CDBG housing revolving loan fund, 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 16 of this report.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007**

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

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

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

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

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

Notes to Basic Financial Statements

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

Supplementary Information

In addition to the basic financial statement and accompanying notes, this report presents certain required supplementary information on the City's operating budget. Required supplementary information can be found beginning on page 54 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 on page 19 and various debt repayment schedules. This supplementary information section of the report begins on page 56.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$6,673,221 at the close of 2007. The largest portion of these net assets (\$6,875,112) reflect the City's investment in capital assets, including land, land improvements, buildings, machinery and equipment, infrastructure, plant in service and construction in progress, net of related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Below is a summary of the City's statement of net assets:

**Condensed Statement of Net Assets
December 31, 2007 and 2006**

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 2,957,601	\$ 3,249,410	\$ 982,931	\$ 919,723	\$ 3,940,532	\$ 4,169,133
Capital Assets	4,328,115	4,286,465	6,008,380	6,207,805	10,336,495	10,494,270
Total Assets	<u>7,285,716</u>	<u>7,535,875</u>	<u>6,991,311</u>	<u>7,127,528</u>	<u>14,277,027</u>	<u>14,663,403</u>
Long-Term Debt Outstanding	2,545,665	3,012,567	2,041,648	2,210,199	4,587,313	5,222,766
Other Long-Term Obligations	1,014,042	585,723	78,113	84,840	1,092,155	670,563
Other Liabilities	1,905,515	1,750,518	18,823	28,549	1,924,338	1,779,067
Total Liabilities	<u>5,465,222</u>	<u>5,348,808</u>	<u>2,138,584</u>	<u>2,323,588</u>	<u>7,603,806</u>	<u>7,672,396</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	2,731,946	2,317,208	4,143,166	4,199,468	6,875,112	6,516,676
Restricted	451,947	459,378	196,352	187,948	648,299	647,326
Unrestricted	(1,363,399)	(589,519)	513,209	416,524	(850,190)	(172,995)
Total Net Assets	<u>\$ 1,820,494</u>	<u>\$ 2,187,067</u>	<u>\$ 4,852,727</u>	<u>\$ 4,803,940</u>	<u>\$ 6,673,221</u>	<u>\$ 6,991,007</u>

An additional portion of the City's net assets (\$648,299) represents resources that are subject to other restrictions as to how they may be used. The remaining negative balance of \$850,190 is reflected as unrestricted. Unrestricted net assets generally may be used to meet the City's ongoing obligations to its citizens and creditors. It is important to note that \$513,209 of these unrestricted net assets is related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. The large negative balance of unrestricted net assets in the governmental activities primarily results from long-term debt and other long-term liabilities outstanding at year end not associated with the financing of capital assets

The condensed statement of changes in net assets presented on the following page shows that total net assets of the City decreased \$317,786, or approximately 14.5%. The decrease consisted of a decrease in net assets related to governmental activities in the amount of \$366,573 and an increase in net assets related to business-type activities in the amount of \$48,787.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007**

The following is a summary of the changes in the City's net assets for the years ended December 31, 2007 and 2006:

**Condensed Statement of Changes in Net Assets
Years Ended December 31, 2007 and 2006**

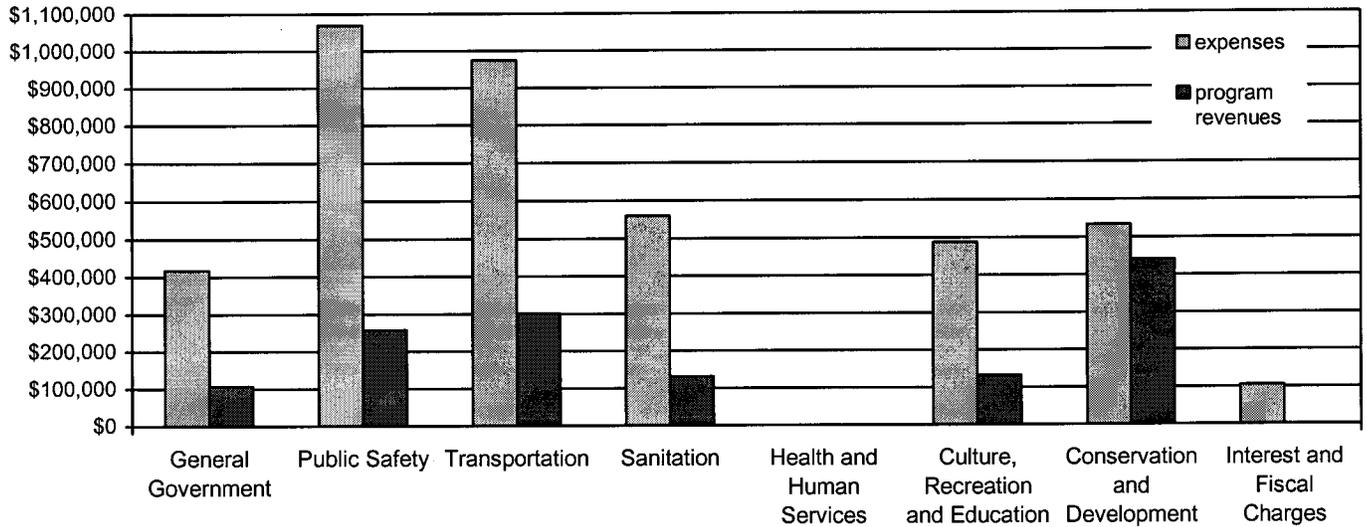
	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
REVENUES						
Program Revenues:						
Charges for Services	\$ 460,980	\$ 543,011	\$ 999,471	\$ 1,009,806	\$ 1,460,451	\$ 1,552,817
Operating Grants and Contributions	912,173	597,046	-	-	912,173	597,046
Capital Grants and Contributions	-	-	74,134	133,196	74,134	133,196
General Revenues:						
Property Taxes	1,567,877	1,460,500	-	-	1,567,877	1,460,500
Other Taxes	67,853	155,046	-	-	67,853	155,046
State and Federal Aids Not Restricted to Specific Programs	555,805	618,351	-	-	555,805	618,351
Other Revenues	147,035	99,800	15,067	13,464	162,102	113,264
Total Revenues	<u>3,711,723</u>	<u>3,473,754</u>	<u>1,088,672</u>	<u>1,156,466</u>	<u>4,800,395</u>	<u>4,630,220</u>
EXPENSES						
General Government	417,860	360,506	-	-	417,860	360,506
Public Safety	1,069,496	1,036,828	-	-	1,069,496	1,036,828
Transportation Facilities	974,390	868,072	-	-	974,390	868,072
Sanitation	559,911	449,996	-	-	559,911	449,996
Health and Human Services	127	185	-	-	127	185
Culture, Recreation, and Education	488,189	435,945	-	-	488,189	435,945
Conservation and Development	533,459	106,082	-	-	533,459	106,082
Interest and Fiscal Charges	104,953	118,609	-	-	104,953	118,609
Water System	-	-	322,925	344,831	322,925	344,831
Sewage Treatment and Collection	-	-	646,871	625,314	646,871	625,314
Total Expenses	<u>4,148,385</u>	<u>3,376,223</u>	<u>969,796</u>	<u>970,145</u>	<u>5,118,181</u>	<u>4,346,368</u>
CHANGE IN NET ASSETS, BEFORE TRANSFERS	(436,662)	97,531	118,876	186,321	(317,786)	283,852
TRANSFERS	70,089	-	(70,089)	-	-	-
CHANGE IN NET ASSETS	<u>\$ (366,573)</u>	<u>\$ 97,531</u>	<u>\$ 48,787</u>	<u>\$ 186,321</u>	<u>\$ (317,786)</u>	<u>\$ 283,852</u>

The increase in net assets of the business-type activities included capital contributions of \$74,134 as shown above.

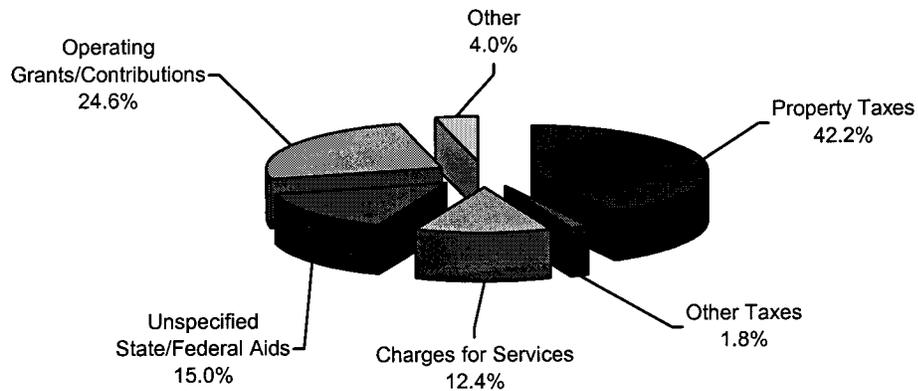
**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007**

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

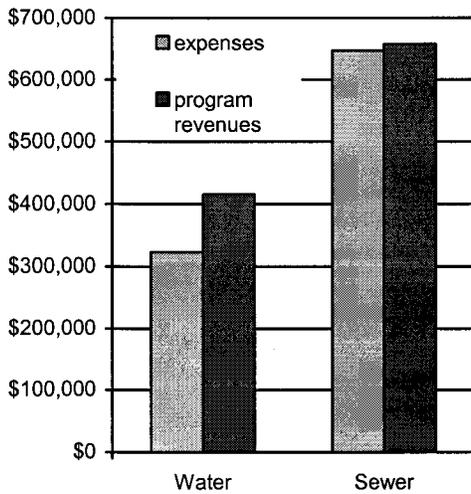


The charts draw data from the statement of activities. For governmental services the City is primarily dependent on property taxes (42.2%) and operating grants and contributions (24.6%).

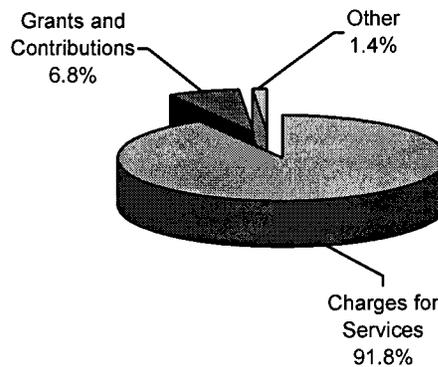
**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007**

In the case of business-type activities, the data shows a considerably different picture from that of governmental activities. Charges for services (91.8%) 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
YEAR ENDED DECEMBER 31, 2007**

As of December 31, 2007, the City's governmental funds reported a combined fund balance of \$58,042, a decrease of \$497,939 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at December 31, 2007				Current Year Change
	Reserved	Designated	Undesignated	Total	
Major Funds:					
General Fund	\$ 5,385	\$ -	\$ (240,820)	\$ (235,435)	\$ (335,939)
Debt Service Fund:					
Fire Hall Construction Debt	-	91,030	-	91,030	54,088
CDBG Revolving Loan Funds	-	(1,077)	-	(1,077)	(38,763)
Nonmajor Funds:					
Special Revenue Funds:					
Landfill Contamination and Remediation Fund	-	121,230	-	121,230	(53,723)
Library Fund	-	40,361	-	40,361	(25,010)
Micro - Loan Fund	-	18,973	-	18,973	18,973
Capital Projects Funds:					
Tax Incremental District #5	-	8,429	-	8,429	(96,041)
Tax Incremental District #6	-	14,531	-	14,531	(21,524)
	<u>\$ 5,385</u>	<u>\$ 293,477</u>	<u>\$ (240,820)</u>	<u>\$ 58,042</u>	<u>\$ (497,939)</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 decreased \$335,939 during the year. The total fund balance of a negative \$235,435 consisted of \$5,385 reserved for delinquent taxes and the remaining negative balance of \$240,820 was reflected as unreserved/undesignated. The City had internally designated some of its general fund for future expenditures, however, the negative balance did not provide for such designations and, accordingly, such designations are not reflected in the City's financial statements. The City's 2008 budget did not include any additional funding to finance the unreserved, undesignated negative fund balance at December 31, 2007.

The CDBG revolving loan fund had a deficit balance of \$1,077 at December 31, 2007. It is expected that this deficit will be eliminated with loan collections in 2008.

The debt service fund had a fund balance at December 31, 2007 of \$91,030. This balance represented excess funds received from fire department participating municipalities in excess of required debt service on the new fire hall debt. Remaining 2007 long-term debt maturities were funded with transfers from the general fund, landfill remediation fund and tax incremental districts funds in the amounts of \$347,434, \$24,459 and \$154,650, 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
YEAR ENDED DECEMBER 31, 2007**

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 2007 totaled \$4,852,727, up \$48,787 from the previous year.

**Condensed Statement of Changes in Net Assets for Enterprise Funds
Years Ended December 31, 2007 and 2006**

	Water Department		Sewer Department		Total	
	2007	2006	2007	2006	2007	2006
Operating Revenues	\$ 406,692	\$ 404,200	\$ 592,779	\$ 623,143	\$ 999,471	\$ 1,027,343
Operating Expenses:						
Depreciation	91,032	90,759	150,513	148,277	241,545	239,036
Other	198,716	170,699	456,338	43,288	655,054	213,987
Operating Income	116,944	142,742	(14,072)	41,985	102,872	184,727
Income (Loss) Before						
Contributions/Transfers	84,529	42,546	(39,787)	10,579	44,742	53,125
Capital Contributions	8,865	36,826	65,269	96,370	74,134	133,196
Transfers	(70,089)	-	-	-	(70,089)	-
Changes in Net Assets	23,305	79,372	25,482	106,949	48,787	186,321
Net Assets at Year-End:						
Invested in Capital Assets	\$ 2,160,418	\$ 2,209,201	\$ 1,982,748	\$ 1,990,267	\$ 4,143,166	\$ 4,199,468
Restricted	-	-	196,352	187,948	196,352	187,948
Unrestricted	940,944	868,856	(427,735)	(452,332)	513,209	416,524
Total	\$ 3,101,362	\$ 3,078,057	\$ 1,751,365	\$ 1,725,883	\$ 4,852,727	\$ 4,803,940

The City's joint water and sewer utility enterprise fund reflected a combined income of \$48,787 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 2007 general fund budget was not modified by the City Council during the year. Budget expenditures and other uses exceeded budgeted revenues and other sources by \$16,000, consisting of expected use of designated funds from the prior year. As previously discussed, actual expenditures and other uses exceeded actual revenues and other sources by \$335,939, primarily due to street related expenditures exceeding budgeted amounts and not funding some of these expenditures with proceeds of long-term borrowing as provided for in the adopted budget.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007**

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, 2007 and 2006 was \$10,336,495 and \$10,494,270, respectively, (net of accumulated depreciation) as shown below:

**Capital Assets, Net of Accumulated Depreciation
December 31, 2006 and 2005**

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Not Subject to Depreciation:						
Land and Land Rights	\$ 691,199	\$ 691,199	\$ 51,698	\$ 51,698	\$ 742,897	\$ 742,897
Subject to Depreciation:						
Buildings and Improvements	2,563,971	2,563,971	-	-	2,563,971	2,563,971
Land Improvements	1,300,107	1,300,107	-	-	1,300,107	1,300,107
Equipment and Vehicles	1,755,768	1,605,936	-	-	1,755,768	1,605,936
Infrastructure	158,961	158,961	-	-	158,961	158,961
Water System Plant	-	-	4,020,574	4,043,411	4,020,574	4,043,411
Sewer Plant and Collection System	-	-	4,830,972	4,803,186	4,830,972	4,803,186
Subtotal	6,470,006	6,320,174	8,903,244	8,898,295	15,373,250	15,218,469
Less: Accumulated Depreciation	2,141,891	2,033,709	2,894,864	2,690,490	5,036,755	4,724,199
Total	\$ 4,328,115	\$ 4,286,465	\$ 6,008,380	\$ 6,207,805	\$ 10,336,495	\$ 10,494,270

Some of the more significant additions to the City's capital assets during 2007 included:

- Street Sweeper \$136,000
- Snowblower 81,600
- Loader 80,000
- Squad Car 20,982

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

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007**

Long-Term Obligations

At December 31, 2007, the City had outstanding \$5,679,468 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, 2007 and 2006**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Outstanding 2007</u>	<u>Outstanding 2006</u>	<u>% Change</u>
Long-Term Debt:					
General Obligation Debt:					
Notes	\$ 2,545,665	\$ 835,000	\$ 3,380,665	\$ 3,885,567	-13.0%
Mortgage Revenue Bonds	-	1,206,648	1,206,648	1,337,199	-9.8%
Subtotal	<u>2,545,665</u>	<u>2,041,648</u>	<u>4,587,313</u>	<u>5,222,766</u>	-12.2%
Other Long-Term Liabilities:					
Estimated Employee Leave	211,736	78,113	289,849	265,379	9.2%
Unfunded Wisconsin Retirement System Liability	12,206	-	12,206	12,912	-5.5%
Estimated Landfill Post Closure Liability	790,100	-	790,100	392,272	101.4%
Total	<u>\$ 3,559,707</u>	<u>\$ 2,119,761</u>	<u>\$ 5,679,468</u>	<u>\$ 5,893,329</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, 2007 totaled \$3,380,665, approximately 32% of the maximum legal limit of \$10,443,270.

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

CURRENTLY KNOWN FACTS

The 2008 budget adopted by the City of Amery Common Council authorized a local levy of \$1,436,936, an increase of \$52,805 over the 2007 adopted budget.

The City is continuing 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.

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, 2007**

	Primary Government			<i>Unaudited</i>
	Governmental Activities	Business-Type Activities	Total	Component Unit Redevelopment Authority
ASSETS				
Cash and Investments	\$ 377,870	\$ 206,307	\$ 584,177	\$ 155
Taxes Receivable	1,396,674	22,680	1,419,354	-
Accounts Receivable	133,749	232,435	366,184	-
Due from Other Governmental Units	-	28,414	28,414	-
Deferred Charges	-	5,329	5,329	-
Prepaid Insurance	25,689	10,983	36,672	-
Inventory	-	30,872	30,872	-
Special Assessments Receivable	60,159	92,744	152,903	-
Advance to Redevelopment Authority	198,696	-	198,696	-
Long-Term Receivables	764,764	156,815	921,579	-
Restricted Assets:				-
Cash and Investments	-	196,352	196,352	-
Capital Assets:				-
Capital Assets Not Being Depreciated	691,199	51,698	6,470,006	356,355
Capital Assets Being Depreciated	5,778,807	8,851,546	8,903,244	-
Accumulated Depreciation	(2,141,891)	(2,894,864)	(5,036,755)	-
Total Assets	<u>7,285,716</u>	<u>6,991,311</u>	<u>14,277,027</u>	<u>356,510</u>
LIABILITIES				
Accounts Payable	188,582	9,845	198,427	-
Accrued Liabilities	49,042	8,978	58,020	1,369
Due to Other Governments	12,937	-	12,937	-
Due to Other Funds	3,000	-	3,000	-
Deferred Revenue	1,644,945	-	1,644,945	-
Special Deposits	7,009	-	7,009	-
Advance from City of Amery	-	-	-	198,696
Long-Term Liabilities:				
Amounts Due Within One Year	479,820	195,301	675,121	-
Amounts Due in More than One Year	3,079,887	1,924,460	5,004,347	209,076
Total Liabilities	<u>5,465,222</u>	<u>2,138,584</u>	<u>7,603,806</u>	<u>409,141</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	2,731,946	4,143,166	6,875,112	-
Restricted For:				
Capital Improvements	22,960	-	22,960	-
Micro - Loan Program	29,743	-	29,743	-
Housing Loan Program	399,244	-	399,244	-
Plant Replacement	-	196,352	196,352	-
Unrestricted	(1,363,399)	513,209	(850,190)	(52,631)
Total Net Assets	<u>\$ 1,820,494</u>	<u>\$ 4,852,727</u>	<u>\$ 6,673,221</u>	<u>\$ (52,631)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Unaudited Component Unit
	Primary Government			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
FUNCTIONS/PROGRAMS							
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General Government	\$ 417,860	\$ 107,449	\$ 391	\$ -	\$ (310,020)	\$ -	\$ (310,020)
Public Safety	1,069,496	195,318	63,091	-	(811,087)	-	(811,087)
Transportation	974,390	34,216	266,913	-	(673,261)	-	(673,261)
Sanitation	559,911	123,517	8,426	-	(427,968)	-	(427,968)
Health and Human Services	127	-	-	-	(127)	-	(127)
Culture, Recreation, and Education	488,189	480	132,080	-	(355,629)	-	(355,629)
Conservation and Development	533,459	-	441,272	-	(92,187)	-	(92,187)
Interest and Fiscal Charges	104,953	-	-	-	(104,953)	-	(104,953)
Total Governmental Activities	4,148,385	460,980	912,173	-	(2,775,232)	-	(2,775,232)
BUSINESS-TYPE ACTIVITIES							
Water	322,925	406,692	-	8,865	-	92,632	92,632
Sewer	646,871	592,779	-	65,269	-	11,177	11,177
Total Business-Type Activities	969,796	999,471	-	74,134	-	103,809	103,809
Total Primary Government	\$ 5,118,181	\$ 1,460,451	\$ 912,173	\$ 74,134	(2,775,232)	103,809	(2,671,423)
COMPONENT UNIT							
Redevelopment Authority	\$ 21,142	\$ -	\$ -	\$ -	-	-	(21,142)
GENERAL REVENUES							
Taxes:							
Property Taxes, Levied for General Purposes					839,016		839,016
Property Taxes, Levied for Library Purposes					197,681		197,681
Property Taxes, Levied for Debt Purposes					347,434		347,434
Property Taxes, Levied for TIF Districts					183,746		183,746
Other Taxes					67,853		67,853
State and Federal Aids not Restricted to Specific Functions					555,805		555,805
Interest and Investment Earnings					39,898	15,067	54,965
Rent					32,365	-	32,365
Miscellaneous					74,772	-	74,772
Transfers					70,089	(70,089)	-
Total General Revenues					2,408,659	(55,022)	2,353,637
CHANGE IN NET ASSETS							
Net Assets - Beginning of Year					(366,573)	48,787	(317,786)
NET ASSETS - END OF YEAR					\$ 1,820,494	\$ 4,852,727	\$ 6,673,221

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	General Fund	CDBG Housing Revolving Loan Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS					
Treasurer's Cash and Investments	\$ 55,793	\$ 2,663	\$ 91,030	\$ 228,384	\$ 377,870
Taxes Receivable	987,133	-	-	409,541	1,396,674
Special Assessments Receivable	60,159	-	-	-	60,159
Accounts Receivable	133,749	-	-	-	133,749
Advance to Revolving Loan Fund	3,740	-	-	-	3,740
Advance to Redevelopment Authority	53,178	-	-	145,518	198,696
Prepayments	25,689	-	-	-	25,689
Long-Term Receivables	-	400,321	353,673	10,770	764,764
	<u>\$ 1,319,441</u>	<u>\$ 402,984</u>	<u>\$ 444,703</u>	<u>\$ 794,213</u>	<u>\$ 2,961,341</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Vouchers and Accounts Payable	\$ 163,722	\$ -	\$ -	\$ 24,860	\$ 188,582
Accrued Liabilities	12,191	-	-	-	12,191
Due Other Governmental Units	12,937	-	-	-	12,937
Due Other Funds	3,000	-	-	-	3,000
Advance from Other Funds	-	3,740	-	-	3,740
Deferred Revenues	1,356,017	400,321	353,673	565,829	2,675,840
Special Deposits	7,009	-	-	-	7,009
Total Liabilities	<u>1,554,876</u>	<u>404,061</u>	<u>353,673</u>	<u>590,689</u>	<u>2,903,299</u>
Fund Balances:					
Reserved	5,385	-	-	-	5,385
Unreserved:					
Designated	-	(1,077)	91,030	203,524	293,477
Undesignated	(240,820)	-	-	-	(240,820)
Total Fund Balances	<u>(235,435)</u>	<u>(1,077)</u>	<u>91,030</u>	<u>203,524</u>	<u>58,042</u>
Total Liabilities and Fund Balances	<u>\$ 1,319,441</u>	<u>\$ 402,984</u>	<u>\$ 444,703</u>	<u>\$ 794,213</u>	<u>\$ 2,961,341</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS **\$ 58,042**

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

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

Land	\$ 691,199	
Land Improvements	2,563,971	
Buildings	1,300,107	
Equipment and Vehicles	1,755,768	
Infrastructure	158,961	
Accumulated Depreciation	<u>(2,141,891)</u>	4,328,115

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. 1,030,895

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	2,545,665	
Accrued Interest on Notes Payable	36,851	
Vacation and Sick Leave Liability	211,736	
Unfunded WRS Liability	12,206	
Estimated Landfill Postclosure Liability	<u>790,100</u>	<u>(3,596,558)</u>

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 1,820,494**

**CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2007**

	General Fund	CDBG Housing Revolving Loan Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES					
Taxes	\$ 1,315,997	\$ -	\$ -	\$ 386,055	\$ 1,702,052
Special Assessments	5,693	-	-	-	5,693
Intergovernmental	863,045	441,272	-	140,506	1,444,823
Licenses and Permits	53,115	-	-	-	53,115
Fines and Forfeits	54,992	-	-	-	54,992
Public Charges for Services	166,975	-	-	-	166,975
Intergovernmental Charges for Services	183,051	-	107,677	-	290,728
Miscellaneous:					
Interest	30,412	38	4,582	5,269	40,301
Rent	32,365	-	-	-	32,365
Donations	300	-	-	21,922	22,222
Loan Repayments	-	-	-	27,977	27,977
Sale of City Property	48,500	-	-	38,560	87,060
Other	9,105	-	-	-	9,105
Total Revenues	<u>2,763,550</u>	<u>441,310</u>	<u>112,259</u>	<u>620,289</u>	<u>3,937,408</u>
EXPENDITURES					
General Government	410,300	-	-	-	410,300
Public Safety	967,573	-	-	-	967,573
Transportation	1,177,562	-	-	-	1,177,562
Sanitation	132,298	-	-	29,785	162,083
Health and Human Services	127	-	-	-	127
Culture, Recreation and Education	118,305	-	-	354,771	473,076
Conservation and Development	104,512	365,887	-	265,855	736,254
Debt Service:					
Principal Retirement	-	-	466,902	-	466,902
Interest and Fiscal Charges	2,350	-	109,209	-	111,559
Total Expenditures	<u>2,913,027</u>	<u>365,887</u>	<u>576,111</u>	<u>650,411</u>	<u>4,505,436</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(149,477)	75,423	(463,852)	(30,122)	(568,028)
OTHER FINANCING SOURCES (USES)					
Transfers In	160,975	-	517,940	-	678,915
Transfers Out	(347,437)	(82,280)	-	(179,109)	(608,826)
Total Other Financing Sources (Uses)	<u>(186,462)</u>	<u>(82,280)</u>	<u>517,940</u>	<u>(179,109)</u>	<u>70,089</u>
NET CHANGE IN FUND BALANCES	(335,939)	(6,857)	54,088	(209,231)	(497,939)
Fund Balances, January 1	<u>100,504</u>	<u>5,780</u>	<u>36,942</u>	<u>412,755</u>	<u>555,981</u>
FUND BALANCES, DECEMBER 31	<u>\$ (235,435)</u>	<u>\$ (1,077)</u>	<u>\$ 91,030</u>	<u>\$ 203,524</u>	<u>\$ 58,042</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ (497,939)**

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	\$ 329,332	
Depreciation Expense Reported in the Statement of Activities	<u>(220,265)</u>	109,067

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. (67,417)

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 44,527

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		466,902
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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 Decrease in Accrued Interest at Year-End	6,606	
Net Increase in Compensated Absences at Year-End	(31,197)	
Net Decrease in Pension Related Debt	706	
Net Increase in Estimated Landfill Postclosure Liability	<u>(397,828)</u>	<u>(421,713)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ (366,573)**

**CITY OF AMERY, WISCONSIN
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2007**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
ASSETS			
Current Assets:			
Cash and Investments	\$ 839,882	\$ (633,575)	\$ 206,307
Customer Accounts Receivable	89,928	142,507	232,435
Due from Governmental Units	-	7,761	7,761
Current Portion of Advance to Biosolids Facility	-	20,653	20,653
Accounts Receivable on Tax Roll	8,584	14,096	22,680
Prepaid Insurance	4,458	6,525	10,983
Inventories	27,288	3,584	30,872
Total Current Assets	<u>970,140</u>	<u>(438,449)</u>	<u>531,691</u>
Restricted Assets:			
Cash and Investments:			
Replacement Fund Cash and Investments	-	196,352	196,352
Capital Assets:			
Capital Assets Being Depreciated:			
Utility Plant in Service	4,035,932	4,867,312	8,903,244
Less: Accumulated Depreciation	1,040,514	1,854,350	2,894,864
Net Utility Plant in Service	<u>2,995,418</u>	<u>3,012,962</u>	<u>6,008,380</u>
Other Assets and Deferred Charges:			
Advance to Biosolids Facility	-	156,815	156,815
Special Assessments Receivable	-	92,744	92,744
Unamortized Debt Issuance Costs	5,329	-	5,329
Total Other Assets	<u>5,329</u>	<u>249,559</u>	<u>254,888</u>
Total Assets	<u>\$ 3,970,887</u>	<u>\$ 3,020,424</u>	<u>\$ 6,991,311</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 1,551	\$ 8,294	\$ 9,845
Accrued Interest	2,540	6,438	8,978
Current Portion of Long-Term Debt	39,000	134,730	173,730
Accrued Employee Benefits	8,404	13,167	21,571
Total Current Liabilities	<u>51,495</u>	<u>162,629</u>	<u>214,124</u>
Long-Term Liabilities (Net of Current Portion):			
General Obligation Debt	796,000	-	796,000
Mortgage Revenue Bonds	-	1,071,918	1,071,918
Accrued Employee Benefits	22,030	34,512	56,542
Total Long-Term Liabilities	<u>818,030</u>	<u>1,106,430</u>	<u>1,924,460</u>
Total Liabilities	869,525	1,269,059	2,138,584
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2,160,418	1,982,748	4,143,166
Restricted for Asset Replacement	-	196,352	196,352
Unrestricted	940,944	(427,735)	513,209
Total Net Assets	<u>3,101,362</u>	<u>1,751,365</u>	<u>4,852,727</u>
Total Liabilities and Net Assets	<u>\$ 3,970,887</u>	<u>\$ 3,020,424</u>	<u>\$ 6,991,311</u>

See accompanying Notes to Basic Financial Statements.

CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2007

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
OPERATING REVENUES			
Charges for Services	\$ 380,870	\$ 590,364	\$ 971,234
Other Operating Revenues	25,822	2,415	28,237
Total Operating Revenues	<u>406,692</u>	<u>592,779</u>	<u>999,471</u>
OPERATING EXPENSES			
Operation and Maintenance	198,716	456,338	655,054
Depreciation	91,032	150,513	241,545
Total Operating Expenses	<u>289,748</u>	<u>606,851</u>	<u>896,599</u>
OPERATING INCOME (LOSS)	116,944	(14,072)	102,872
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	762	14,305	15,067
Interest Expense	(32,191)	(40,020)	(72,211)
Amortization of Debt Discount/Issuance Costs	(986)	-	(986)
Total Nonoperating Revenues (Expenses)	<u>(32,415)</u>	<u>(25,715)</u>	<u>(58,130)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	84,529	(39,787)	44,742
CAPITAL CONTRIBUTIONS	8,865	65,269	74,134
TRANSFERS	<u>(70,089)</u>	<u>-</u>	<u>(70,089)</u>
CHANGE IN NET ASSETS	23,305	25,482	48,787
Net Assets, January 1	<u>3,078,057</u>	<u>1,725,883</u>	<u>4,803,940</u>
NET ASSETS, DECEMBER 31	<u>\$ 3,101,362</u>	<u>\$ 1,751,365</u>	<u>\$ 4,852,727</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2007**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	<u>Department</u>	<u>Department</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 243,489	\$ 590,507	\$ 833,996
Cash Received from Public Fire Protection	136,069	-	136,069
Cash Received (Paid) for Meter Related Charges	24,490	(24,490)	-
Cash Paid to Suppliers for Goods and Services	(143,468)	(260,791)	(404,259)
Cash Paid for Employee Services	(64,481)	(195,724)	(260,205)
Net Cash Provided by Operating Activities	<u>196,099</u>	<u>109,502</u>	<u>305,601</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Cash Payments for Tax Equivalents	(70,089)	-	(70,089)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Paid for Acquisition of Plant Assets	(1,699)	-	(1,699)
Cash Received from Utility Customers as Contributed Capital	-	21,496	21,496
Principal Paid on Long-Term Debt	(38,000)	(111,438)	(149,438)
Interest Paid on Long-Term Debt	(32,306)	(34,817)	(67,123)
Net Cash Used for Capital and Related Financing Activities	<u>(72,005)</u>	<u>(124,759)</u>	<u>(196,764)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	-	8,404	8,404
Interest Received on Tax Roll Items	762	-	762
Net Cash Provided from Investing Activities	<u>762</u>	<u>8,404</u>	<u>9,166</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	54,767	(6,853)	47,914
Cash and Cash Equivalents, January 1	<u>785,115</u>	<u>(430,370)</u>	<u>354,745</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 839,882</u></u>	<u><u>\$ (437,223)</u></u>	<u><u>\$ 402,659</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2007**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	<u>Department</u>	<u>Department</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 116,943	\$ (14,072)	\$ 102,871
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	91,032	150,513	241,545
Changes in Asset and Liability Accounts:			
Increase in Customer Accounts Receivable	(2,644)	(2,272)	(4,916)
Decrease (Increase) in Other Accounts Receivable	-	(7,531)	(7,531)
Decrease (Increase) in Prepaids	(4,458)	(6,525)	(10,983)
Decrease (Increase) in Inventory	(282)	538	256
Increase in Accounts Payable	(1,869)	(7,045)	(8,914)
Increase in Accrued Employee Benefits	(2,623)	(4,104)	(6,727)
Net Cash Provided by Operating Activities	<u>\$ 196,099</u>	<u>\$ 109,502</u>	<u>\$ 305,601</u>
 RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS			
Cash and Investments per Balance Sheet:			
Cash and Investments - Unrestricted	\$ 839,882	\$ (633,575)	\$ 206,307
Cash and Investments - Restricted	-	196,352	196,352
Cash and Cash Equivalents	<u>\$ 839,882</u>	<u>\$ (437,223)</u>	<u>\$ 402,659</u>
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Capital Assets Paid for by Customers and Developers	\$ 8,865	\$ 31,556	\$ 40,421
Long-Term Debt Paid Directly by Biosolids Facility:			
Principal Repaid	-	19,113	19,113
Interest Paid	-	5,901	5,901

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2007**

	Private Purpose Trust Fund Fire Department Retirement Fund	Tax Agency Fund
ASSETS		
Cash and Investments	\$ 60,957	\$ 464,596
Taxes Receivable	-	2,513,498
Due from General Fund	3,000	-
Total Assets	63,957	\$ 2,978,094
LIABILITIES		
Due Other Governments	-	\$ 2,978,094
NET ASSETS		
Held for Retirement Benefits	\$ 63,957	

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2007**

	Private Purpose Trust Fund
	Fire Department Retirement Fund
ADDITIONS	
Interest	\$ 2,378
Contribution from General Fund	8,000
Total Additions	10,378
DEDUCTIONS	
Retirement Benefits Paid	4,839
CHANGE IN NET ASSETS	5,539
Net Assets, Beginning of Year	58,418
NET ASSETS, End of Year	\$ 63,957

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Redevelopment Authority for the City of Amery. The Redevelopment Authority for the City of Amery (Authority) was organized in 2002 by the City for the purpose of carrying out all blight elimination, slum clearance and urban renewal programs and projects within the City of Amery. The Authority is governed by a seven member board appointed by a 4/5 vote of the City Council. Funding for the Authority through December 31, 2007 consisted of \$198,696 of advances from the City of Amery's general fund and TID #6 fund and long-term debt proceeds in the amount of \$209,076, both of which were used for the purpose of obtaining property within the City and funding interest on long-term debt. Unaudited financial statements of the Authority for the year ended December 31, 2007 are presented in this report as a governmental fund type discretely presented component unit.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

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

Fund Financial Statements

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

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

The City reports the following major governmental funds:

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

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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

The City reports the following major enterprise fund:

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

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

Additionally, the City reports the following fiduciary funds:

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

C. Measurement Focus and Basis of Accounting

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 2007 tax roll are recognized as revenue in 2008.) Special assessments recorded in proprietary funds and in the government-wide financial statement are recorded as revenue at the time the assessments are subject to collection procedures.

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

Loans Receivable. The City has received federal and state grant funds for business economic development loan programs to various businesses and housing rehabilitation loans. The City records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as loans receivable have not been reduced by an allowance for uncollectible accounts since the City does not expect such amounts to be material to the financial statements. In the fund financial statements, 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.

During 2007, the City turned over the fund balance and outstanding loans associated with the CDBG business revolving loan fund to another governmental agency and recognized an expense/fund expenditure in removing the assets from its 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.

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.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets

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

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

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

	<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	40-100 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.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Compensated Absences

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

8. Long-Term Obligations

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

9. Equity Classifications

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

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash and investments balances at December 31, 2007 totaled \$1,306,082 as shown in the financial statements as follows:

Governmental Funds	\$ 377,870
Proprietary Funds	402,659
Fiduciary Funds	525,553
	<u>\$ 1,306,082</u>

The above cash and investments balances totaling \$1,306,082 consisted of the following:

Deposits in Financial Institutions:	
Treasurer's Cash and Investments	\$ 1,095,645
Departmental Cash	13,885
Restricted Cash and Investments	196,352
Total Deposits in Financial Institutions	<u>1,305,882</u>
Petty Cash	200
Total Cash and Investments at December 31, 2007	<u>\$ 1,306,082</u>

Deposits at Financial Institutions

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Custodial credit risk for deposits is the risk that, in the event of bank failure, the City's deposits may not be returned. At December 31, 2007, the City's deposits were not exposed to custodial credit risk.

B. Receivables/Deferred Revenues

1. Taxes Receivable

Taxes receivable at December 31, 2007 totaled \$3,932,852 as detailed below:

Current Taxes Receivable

2007 Tax Roll:

General Property Taxes:

City:

General City Taxes \$ 1,234,629

Tax Incremental Districts 207,234

Library 202,307

1,644,170

Other Taxing Districts 2,978,094

Total General Property Taxes 4,622,264

Special Assessments and Special Charges:

Special Assessments and Interest 7,276

Enterprise Fund Charges 22,679

Governmental Funds Charges 5,508

Total 2007 Tax Roll \$ 4,657,727

Less Collections Prior to January 1, 2008 726,520

Net Current Taxes Receivable 3,931,207

Delinquent Taxes Receivable:

Delinquent Personal Property Taxes Held
by City for Collection

1,645

\$ 3,932,852

Recorded in Governmental Funds \$ 1,396,674

Recorded in Proprietary Funds 22,680

Recorded in Fiduciary Funds 2,513,498

\$ 3,932,852

The 2007 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 delinquent taxes receivable.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables/Deferred Revenues (Continued)

2. Other Receivables

Housing Rehabilitation Loans Receivable. The City was awarded Community Development Block Grants for financing housing rehabilitation loans. At December 31, 2007, the City had twenty-eight (28) outstanding deferred loans totaling \$400,321. The deferred loans become due and payable in full in the event that the maker no longer continues to occupy the premises securing the loan as a full-time residence, or if the maker transfers any legal or equitable interest in the mortgage premises to anyone for any reason.

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

New Fire Hall. During 2004 the City completed construction of a new fire hall building. A portion of the debt service used to finance construction is being funded with revenues from the fire districts' participating municipalities and the City recorded receivables for such amounts in 2004. The City had outstanding long-term receivables from the Alden and Lincoln Townships in the amounts of \$52,711 and \$300,962, respectively, for their share of the debt outstanding at December 31, 2007. The amortization schedules of the Townships' allocated share of the debt can be seen on supplementary Schedule E-1 of this report. These receivables are equally offset by deferred revenue which will be recognized as collections are recorded.

Redevelopment Authority. At December 31, 2007 the City had \$198,696 due from the Redevelopment Authority of the City of Amery (Authority) for various items financed and/or paid by the City (\$53,178 in the general fund and \$145,518 in the Tax Incremental District #6 fund). These receivables are equally offset by a deferred revenue since reimbursement is not expected to be in the near future. The amounts due at year end consist of proceeds of a \$130,000 general obligation note advanced to the Authority for purchase of land, principal and interest paid by the City on this note and on a mortgage debt in the Authority's name, and various other expenses paid on behalf of the Authority.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Receivables/Deferred Revenues (Continued)

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>
2007 Tax Roll Items:			
Property Taxes	\$ -	\$1,234,629	\$1,234,629
Tax Increments	-	207,234	207,234
Library	-	202,307	202,307
Special Assessments:			
Principal	4,739	-	4,739
Interest	2,537	-	2,537
Long-Term Receivables:			
Debt Service Fund	353,673	-	353,673
Housing Revolving Loan Fund	400,321	-	400,321
Micr - Loan Fund	10,770	-	10,770
Redevelopment Authority	198,696	-	198,696
Deferred Special Assessments	60,159	-	60,159
Airport Hanger Rental	-	775	775
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$1,030,895</u>	<u>\$1,644,945</u>	<u>\$2,675,840</u>

D. Capital Assets

Capital assets activity for the year ended December 31, 2007 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	\$ 691,199	\$ -	\$ -	\$ 691,199
Capital Assets Being Depreciated:				
Buildings and Improvements	2,563,971	-	-	2,563,971
Land Improvements	1,300,107	-	-	1,300,107
Equipment and Vehicles	1,605,936	329,332	179,500	1,755,768
Infrastructure	158,961	-	-	158,961
Total Capital Assets Being Depreciated	<u>5,628,975</u>	<u>329,332</u>	<u>179,500</u>	<u>5,778,807</u>
Total Capital Assets	6,320,174	329,332	179,500	6,470,006
Accumulated Depreciation:				
Buildings and Improvements	478,418	50,820	-	529,238
Land Improvements	738,028	31,423	-	769,451
Equipment and Vehicles	806,027	133,528	112,083	827,472
Infrastructure	11,236	4,494	-	15,730
Total Accumulated Depreciation	<u>2,033,709</u>	<u>220,265</u>	<u>112,083</u>	<u>2,141,891</u>
Net Capital Assets - Governmental Activities	<u>\$ 4,286,465</u>	<u>\$ 109,067</u>	<u>\$ 67,417</u>	<u>\$ 4,328,115</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Primary Government (Continued):

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,219
Public Safety	115,670
Transportation	88,263
Culture, Recreation and Education	15,114
	<u>\$ 220,266</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Joint Water and Sewer Utility:				
Water Department:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 15,358	\$ -	\$ -	\$ 15,358
Capital Assets Being Depreciated:				
Source of Supply	198,218	-	-	198,218
Pumping Plant	284,173	-	24,401	259,772
Treatment Plant	13,455	-	-	13,455
Transmission and Distribution	3,466,396	10,564	9,000	3,467,960
Administration and General Assets	81,169	-	-	81,169
Total Capital Assets Being Depreciated	<u>4,043,411</u>	<u>10,564</u>	<u>33,401</u>	<u>4,020,574</u>
Total Capital Assets	4,058,769	10,564	33,401	4,035,932
Less: Accumulated Depreciation	<u>982,883</u>	<u>91,032</u>	<u>33,401</u>	<u>1,040,514</u>
Net Capital Assets - Water Department	<u>\$ 3,075,886</u>	<u>\$ (80,468)</u>	<u>\$ -</u>	<u>\$ 2,995,418</u>
Sewer Department:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 36,340	\$ -	\$ -	\$ 36,340
Capital Assets Being Depreciated:				
Collection System	1,603,835	31,556	3,770	1,631,621
Treatment and Disposal Plant	3,085,069	-	-	3,085,069
Administration and General Assets	114,282	-	-	114,282
Total Capital Assets Being Depreciated	<u>4,803,186</u>	<u>31,556</u>	<u>3,770</u>	<u>4,830,972</u>
Total Capital Assets	4,839,526	31,556	3,770	4,867,312
Less: Accumulated Depreciation	<u>1,707,607</u>	<u>150,513</u>	<u>3,770</u>	<u>1,854,350</u>
Net Capital Assets - Sewer Department	<u>\$ 3,131,919</u>	<u>\$ (118,957)</u>	<u>\$ -</u>	<u>\$ 3,012,962</u>
Net Capital Assets - Business-Type Activities	<u>\$ 6,207,805</u>	<u>\$ (199,425)</u>	<u>\$ -</u>	<u>\$ 6,008,380</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 91,032
Sewer	150,513
Total	<u>\$ 241,545</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Component Unit:

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

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2007 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Fire Department Retirement Fund	General Fund	\$ 3,000

The balance represents the amount payable into the fire department account at year end.

Advances from/to Other Funds

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

A long-term interfund advance was recorded from the general fund to the CDBG revolving loan fund at December 31, 2007 in the amount of \$3,740 which represented administrative expenditures paid by the general fund. The balance will be repaid as the cash position of the revolving loan fund allows.

Interfund Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 347,437
Debt Service Fund	Landfill Contamination and Remediation Fund	24,459
Debt Service Fund	Tax Incremental District #5 Fund	92,160
Debt Service Fund	Tax Incremental District #6 Fund	53,884
General Fund	CDBG Housing Revolving Loan Fund	82,280
General Fund	Tax Incremental District #6 Fund	8,606
General Fund	Water Utility Fund	70,089
		<u>\$ 678,915</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Interfund Transfers (Continued)

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 transfer from the CDBG housing revolving loan fund to the general fund consists of grant funds received for the purpose of financing street improvements accounted for in the general fund. The transfer from the TID #6 fund to the general fund consisted of prior year expenditures related to the Amery Redevelopment Authority to be financed by the TID fund. The transfer from the water utility enterprise fund to the general fund consisted of the 2007 property tax equivalent. Also, the general fund annually transfers a budget appropriation to the fire department retirement fund for the associated employee benefit. This transfer is reflected as an expenditure in the general fund.

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the City for the year ended December 31, 2007 were as follows:

	Balance 1/1/07	Additions	Reductions	Balance 12/31/07	Amounts Due Within One Year
Primary Government:					
Long-Term Debt:					
Governmental Activities:					
General Obligation Notes	\$ 3,012,567	\$ -	\$ 466,902	\$ 2,545,665	\$ 421,348
Business-Type Activities:					
General Obligation Notes	873,000	-	38,000	835,000	39,000
Mortgage Revenue Bonds	1,337,199		130,551	1,206,648	134,730
Total Long-Term Debt	<u>\$ 5,222,766</u>	<u>\$ -</u>	<u>\$ 635,453</u>	<u>\$ 4,587,313</u>	<u>\$ 595,078</u>
Other Long-Term Obligations:					
Governmental Funds:					
Employee Vacation and Sick Leave Liability	\$ 180,539	\$ 31,197	\$ -	\$ 211,736	\$ 58,472
Unfunded WRS Liability	12,912	883	1,589	12,206	-
Estimated Landfill Postclosure Liability	392,272	397,828	-	790,100	-
Total Other Long-Term Obligations	585,723	429,908	1,589	1,014,042	58,472
Business-Type Activities:					
Employee Vacation and Sick Leave Liability	84,840	-	6,727	78,113	21,571
Total Other Long-Term Obligations	<u>\$ 670,563</u>	<u>\$ 429,908</u>	<u>\$ 8,316</u>	<u>\$ 1,092,155</u>	<u>\$ 80,043</u>
Component Unit:					
Bank Mortgage Note	<u>\$ 210,000</u>	<u>\$ -</u>	<u>\$ 924</u>	<u>\$ 209,076</u>	<u>\$ -</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Changes in Long-Term Obligations (Continued)

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

General Obligation Long-Term Debt

Annual Requirements for Retirement. Individual general obligation long-term debt issues outstanding at December 31, 2007 and annual requirements for their retirement are shown below:

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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)	2008	\$ 24,459	\$ -	\$ 24,459
	2009	24,459	-	24,459
	2010	24,458	-	24,458
	2011	24,459	-	24,459
	2012	24,459	-	24,459
	2013-2017	122,294	-	122,294
	2018-2020	73,376	-	73,376
		<u>317,964</u>	-	<u>317,964</u>
State trust fund loan, \$318,000, issued 7/30/02, final installment due 3/15/09, interest at 4.75% (2001 general fund projects)	2008	48,612	4,488	53,100
	2009	50,866	2,289	53,155
		<u>99,478</u>	<u>6,777</u>	<u>106,255</u>
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)	2008	25,923	2,530	28,453
	2009	27,182	1,291	28,473
		<u>53,105</u>	<u>3,821</u>	<u>56,926</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)	2008	24,571	19,642	44,213
	2009	25,853	18,360	44,213
	2010	27,145	17,068	44,213
	2011	28,503	15,710	44,213
	2012	29,889	14,325	44,214
	2013-2017	173,606	47,460	221,066
	2018-2019	82,210	6,216	88,426
		<u>391,777</u>	<u>138,781</u>	<u>530,558</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)	2008	84,000	40,916	124,916
	2009	89,000	37,850	126,850
	2010	91,000	34,602	125,602
	2011	94,000	31,280	125,280
	2012	98,000	27,850	125,850
	2013	665,000	12,136	677,136
		<u>1,121,000</u>	<u>184,634</u>	<u>1,305,634</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Annual Requirements for Retirement (Continued)

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</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)	2008	\$ 39,000	\$ 30,477	\$ 69,477
	2009	41,000	29,054	70,054
	2010	42,000	27,558	69,558
	2011	44,000	26,024	70,024
	2012	45,000	24,418	69,418
	2013	624,000	11,388	635,388
			<u>835,000</u>	<u>148,919</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)	2008	31,734	5,406	37,140
	2009	33,018	4,122	37,140
	2010	34,338	2,802	37,140
	2011	35,694	1,428	37,122
			<u>134,784</u>	<u>13,758</u>
Promissory notes, \$280,000, issued 2/1/05, final installment due 3/15/12, interest at 4.45% (fire truck)	2008	25,149	9,972	35,121
	2009	27,334	7,787	35,121
	2010	28,495	6,626	35,121
	2011	29,706	5,415	35,121
	2012	123,919	4,152	128,071
		<u>234,603</u>	<u>33,952</u>	<u>268,555</u>
State trust fund loan, \$25,000, issued 10/25/05, final installment due 3/15/20, interest at 5.00% (TID #6 developers agreement)	2008	1,361	1,212	2,573
	2009	1,433	1,140	2,573
	2010	1,504	1,068	2,572
	2011	1,580	993	2,573
	2012	1,656	916	2,572
	2013-2017	9,620	3,243	12,863
	2018-2020	7,006	712	7,718
		<u>24,160</u>	<u>9,284</u>	<u>33,444</u>
Promissory notes, \$130,000, issued 4/18/06, final installment due 6/1/2008, interest at 5.46% (advance to redevelopment authority)	2008	130,000	3,549	133,549

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Annual Requirements for Retirement (Continued)

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Promissory notes, \$75,000, issued 6/26/06, final installment due 12/1/08, interest at 5.22% (golf parking lot, senior center, voting equipment and warning sirens)	2008	\$ 25,539	\$ 1,701	\$ 27,240
	2009	13,255	345	13,600
		<u>38,794</u>	<u>2,046</u>	<u>40,840</u>
		<u>\$ 3,380,665</u>	<u>\$ 545,521</u>	<u>\$ 3,926,186</u>
Total General Obligation Debt				

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 #6</u>	<u>Water and Sewer Utility</u>	<u>Total</u>
2008	\$ 330,429	\$ 180,335	\$ 69,477	\$ 580,241
2009	318,798	46,786	70,054	435,638
2010	222,321	46,785	69,558	338,664
2011	221,982	46,786	70,024	338,792
2012	278,380	46,786	69,418	394,584
2013-2017	799,430	233,929	635,388	1,668,747
2018-2020	73,376	96,144	-	169,520
Total	<u>\$ 2,244,716</u>	<u>\$ 697,551</u>	<u>\$ 983,919</u>	<u>\$ 3,926,186</u>

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 is financed by the participating districts as follows:

<u>Year</u>	<u>General Fund</u>	<u>TID #6</u>	<u>Water and Sewer Utility</u>	<u>Total</u>
2008	\$ 330,429	\$ 180,335	\$ 69,477	\$ 580,241
2009	318,798	46,786	70,054	435,638
2010	222,321	46,785	69,558	338,664
2011	221,982	46,786	70,024	338,792
2012	278,380	46,786	69,418	394,584
2013-2017	799,430	233,929	635,388	1,668,747
2018-2020	73,376	96,144	-	169,520
Total	<u>\$ 2,244,716</u>	<u>\$ 697,551</u>	<u>\$ 983,919</u>	<u>\$ 3,926,186</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Funding for Debt Retirement. (Continued)

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, 2007, the City's debt limit amounted to \$10,443,270 and indebtedness subject to the limitation totaled \$3,380,665.

Mortgage Revenue Bonds

Outstanding mortgage revenue bonds of the City totaled \$1,206,648 at December 31, 2007. 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, 2007 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, 2007 was \$1,030,214.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Mortgage Revenue Bonds (Continued)

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

Year	Principal	Interest	Total
2008	\$ 115,010	\$ 31,185	\$ 146,195
2009	118,697	27,439	146,136
2010	122,503	23,572	146,075
2011	126,430	19,582	146,012
2012	130,483	15,464	145,947
2013-2015	417,091	20,339	437,430
Total	<u>\$ 1,030,214</u>	<u>\$ 137,581</u>	<u>\$ 1,167,795</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, 2007. 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 4.D.). These funds were paid directly to the Facility to fund construction costs. Principal is payable annually on May 1 through the year 2015 and interest is payable semiannually on May 1 and November 1 at an annual rate of 3.173%. Principal and interest installments are being paid directly by the Facility. Accordingly, a receivable has been recorded in the City's utility enterprise fund equal to the outstanding revenue bonds at year end which totaled \$176,434. Future annual requirements for retirement of the revenue bonds at December 31, 2007 were as follows as shown on the following page:

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Mortgage Revenue Bonds (Continued)

Sewerage System Revenue Bonds Series 1995A (Continued)

Year	Principal	Interest	Total
2008	\$ 19,720	\$ 5,285	\$ 25,005
2009	20,345	4,650	24,995
2010	20,991	3,994	24,985
2011	21,657	3,317	24,974
2012	22,344	1,487	23,831
2013-2015	71,377	4,577	75,954
Total	<u>\$ 176,434</u>	<u>\$ 23,310</u>	<u>\$ 199,744</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.

Component Unit

The Redevelopment Authority for the City of Amery issued bank promissory notes 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 notes. Principal and interest paid on the 2004 note during 2007 totaled \$924 and \$11,427, respectively, and the rate on the note at December 31, 2007 was 5.44%. The promissory note renews every six months by agreement between the Redevelopment Authority and bank. During 2006 the City also issued a general obligation promissory note in the amount of \$130,000 and advanced the proceeds to the Redevelopment Authority which used the funds to purchase property within the City. The advance from the City is accruing interest to the Redevelopment Authority equal to interest accrued on the 2006 promissory note. The Redevelopment Authority anticipates repaying the 2006 note from sales proceeds of the land acquired in 2006.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2007 consisted of the following:

	<u>Total</u>	<u>Reserved</u>	<u>Designated</u>	<u>Undesignated</u>
Major Funds:				
General Fund:	\$ (235,435)	\$ -	\$ -	\$ -
Reserved for Delinquent Taxes	-	1,645	-	-
Reserved for Advances to Other Funds	-	3,740	-	-
Designated (Supplementary Schedule B-1)	-	-	-	-
Undesignated	-	-	-	(240,820)
Debt Service Fund	91,030	-	91,030	-
Nonmajor Funds:				
Landfill Contamination and Remediation Fund	121,230	-	121,230	-
Library Fund	40,361	-	40,361	-
CDBG Housing Revolving Loan Fund	(1,077)	-	(1,077)	-
CDBG Business Revolving Loan Fund	-	-	-	-
Tax Incremental District #5 Fund	8,429	-	8,429	-
Tax Incremental District #6 Fund	14,531	-	14,531	-
Community Micro Loan Fund	18,973	-	18,973	-
 Total Governmental Fund Balances at December 31, 2007	 <u>\$ 58,042</u>	 <u>\$ 5,385</u>	 <u>\$ 293,477</u>	 <u>\$ (240,820)</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. The State enacted several changes relating to tax incremental districts in 2004 (with amending legislation in 2005). One of these changes extended the expenditure period for all current and future districts, effective October 1, 2004, to five years prior to the termination of the district's unextended maximum life. For those districts that had reached the end of its expenditure period prior to October 1, 2004, it allowed a municipality to expend additional project costs included in the project plan (subject to certain conditions). Project costs uncollected at the dissolution date are absorbed by the municipality.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Tax Incremental Districts (Continued)

The City had terminated TID #2 and TID #3 during 2001 with closeout of the funds at December 31, 2001, and TID #4 was terminated in 2004. TID #5 and TID #6 were still in existence at December 31, 2007. 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, 2007 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, 2007 are summarized as follows:

	TID #5	TID #6
Accumulated Project Costs (from Inception to 12/31/07):		
Projects Costs	\$ 2,174,313	\$ 765,874
Debt Costs:		
Interest and Fiscal Charges on Debt	538,010	74,735
Interest on Advances from General Fund	30,430	-
Total Project Costs	2,742,753	840,609
Accumulated Project Revenues:		
Tax Increments	1,371,093	75,725
Minimum Tax Agreements	-	30,519
Intergovernmental Grants	218,779	202,959
Interest Revenues	17,650	-
Sale of Land	315,440	-
Transfer of Excess Increments from TID #4	828,220	-
Total Project Revenues	2,751,182	309,203
Unrecovered (Excess Recovered) Project Costs at December 31, 2007	\$ (8,429)	\$ 531,406

The preceding summaries of transactions are reconciled to the fund balances in TID districts at December 31, 2007 as follows:

	TID #5	TID #6
Outstanding Long-Term Indebtedness at 12/31/07	\$ -	\$ 545,937
Less Unrecovered (Add Excess Recovered) Project Costs Above	8,429	(531,406)
Fund Balance December 31, 2007	\$ 8,429	\$ 14,531

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 4 OTHER INFORMATION

A. Employee Retirement Plan

All eligible City of Amery employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year (440 for teachers) are eligible to participate in the WRS. Covered employees in the general/teacher category are required by statute to contribute 6.0% of their salary (3.0% for executives and elected officials, 5.1% for protective occupations with social security, and 3.4% for protective occupations without social security) to the plan. Employers may make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the WRS for the year ended December 31, 2007 was \$1,075,625; the employer's total payroll was \$1,162,589. The total required contribution for the year ended December 31, 2007 was \$133,878, which consisted of \$72,916, or 6.78% of payroll from the employer and \$60,962, or 5.67% of payroll from employees. Total contributions for the years ending December 31, 2006 and 2005 were \$126,418 and \$110,855, respectively, equal to the required contributions for each year.

The City's pension related debt at December 31, 2007 (the unfunded actuarial accrued liability for prior service costs) was \$12,206. 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 2007 was 7.8%.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employees' three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Fire Department Retirement Fund

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

The Plan is a non-qualified plan as defined by the IRS and is funded by annual contributions from the City as determined annually by the City Council. The City contributed \$8,000 to the plan for the 2007 year. Transactions of the Plan are accounted for in a private purpose trust fund by the City. The balance in the fund at December 31, 2007 was \$63,957. 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 80% of the value; if an employee has less than thirty days of sick leave accumulated, the employee shall receive a payout of 50% of the value. To be eligible for the maximum benefit, an employee must retire at an age determined by the Wisconsin Retirement System, or is forced to retire pursuant to a duty related injury or illness. The City also allows the employee to carry over compensatory time off (time off in lieu of immediate overtime pay in cash, at rate of not less than one and one-half for each hour of overtime worked).

Liabilities for accumulated vacation, sick leave and compensatory time are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The estimated liabilities for unused vacation, sick leave and compensatory time payable from governmental funds at December 31, 2007 were \$211,736. The estimated liabilities in the proprietary funds at that date were \$78,113.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Participation in Biosolids Facility

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

Pursuant to an agreement establishing the City's participation in the Facility, the City was required to provide initial funding for its share of the start-up and construction costs of the Facility. Accordingly, the City authorized the issuance of \$354,703 of mortgage revenue bonds to the State of Wisconsin under the Clean Water Fund Financial Assistance Program to fund its share of the costs (see also Note 3 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 2007 totaling \$176,434 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 \$933 was also recorded therein since the debt is to be funded by the Facility. The total receivable of \$177,367 at December 31 2007 was classified as \$19,720 current and \$157,647 long-term in the utility's year end statement of net assets.

E. Landfill Postclosure Care Costs

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

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

Future costs to be paid by the City at December 31, 2007 have been estimated by an outside consultant at \$790,100. This amount is reflected as a liability in the City's government-wide financial statements.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Golf Club

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

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

At December 31, 2007, 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. At December 31, 2007, the Golf Club had a loan outstanding totaling \$596,303. The City had an agreement with the Golf Club and mortgage holder to apply any proceeds of sales of golf course land by the City to the Golf Club loan. The City received proceeds from the land sales in 1998 and 1999 in the amounts of \$5,000 and \$45,000, respectively, and applied those proceeds to the Golf Club loan at Bremer Bank in 1999.

G. Risk Management

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

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
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,327,418	\$ 1,327,418	\$ 1,315,997	\$ (11,421)
Special Assessments	5,202	5,202	5,693	491
Intergovernmental	779,132	779,132	863,045	83,913
Licenses and Permits	89,880	89,880	53,115	(36,765)
Fines and Forfeits	46,200	46,200	54,992	8,792
Public Charges for Services	24,000	24,000	166,975	142,975
Intergovernmental Charges for Services	208,026	208,026	183,051	(24,975)
Miscellaneous:				
Interest	27,824	27,824	30,412	2,588
Rent	30,000	30,000	32,365	2,365
Sale of City Property	1,000	1,000	48,500	47,500
Donations	-	-	300	300
Other	2,100	2,100	9,105	7,005
Total Revenues	<u>2,540,782</u>	<u>2,540,782</u>	<u>2,763,550</u>	<u>222,768</u>
EXPENDITURES				
General Government	376,614	376,614	410,300	(33,686)
Public Safety	965,006	965,006	967,573	(2,567)
Transportation	835,903	835,903	1,177,562	(341,659)
Sanitation	6,500	6,500	132,298	(125,798)
Health and Human Services	6,200	6,200	127	6,073
Culture, Recreation and Education	85,725	85,725	118,305	(32,580)
Conservation and Development	58,000	58,000	104,512	(46,512)
Debt Service	-	-	2,350	(2,350)
Total Expenditures	<u>2,333,948</u>	<u>2,333,948</u>	<u>2,913,027</u>	<u>(579,079)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	206,834	206,834	(149,477)	(356,311)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	124,600	124,600	-	(124,600)
Transfers In	-	-	160,975	160,975
Transfers Out	(347,434)	(347,434)	(347,437)	(3)
Total Other Financing Sources (Uses)	<u>(222,834)</u>	<u>(222,834)</u>	<u>(186,462)</u>	<u>36,372</u>
NET CHANGE IN FUND BALANCE	(16,000)	(16,000)	(335,939)	(319,939)
Fund Balance, January 1	<u>100,504</u>	<u>100,504</u>	<u>100,504</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 84,504</u>	<u>\$ 84,504</u>	<u>\$ (235,435)</u>	<u>\$ (319,939)</u>

**CITY OF AMERY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2007**

BUDGETARY INFORMATION

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

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

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

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

SCHEDULE A-1

CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2007

	Special Revenue Funds					Capital Projects Funds			Total Nonmajor Governmental Funds
	Landfill Contamination & Remediation Fund	Library Fund	CDBG		Total Special Revenue Funds	TID #5 Fund	TID #6 Fund	Total Capital Projects Funds	
			Business Revolving Loan Fund	Micro - Loan Fund					
ASSETS									
Cash and Investments	\$ 129,162	\$ 57,289	\$ -	\$ 18,973	\$ 205,424	\$ 8,429	\$ 14,531	\$ 22,960	\$ 228,384
Taxes Receivable	-	202,307	-	-	202,307	133,870	73,364	207,234	409,541
Advance to Redevelopment Authority	-	-	-	-	-	-	145,518	145,518	145,518
Long-Term Receivables	-	-	-	10,770	10,770	-	-	-	10,770
Total Assets	\$ 129,162	\$ 259,596	\$ -	\$ 29,743	\$ 418,501	\$ 142,299	\$ 233,413	\$ 375,712	\$ 794,213
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ 7,932	\$ 16,928	\$ -	\$ -	\$ 24,860	\$ -	\$ -	\$ -	\$ 24,860
Deferred Revenues	-	202,307	-	10,770	213,077	133,870	218,882	352,752	565,829
Total Liabilities	7,932	219,235	-	10,770	237,937	133,870	218,882	352,752	590,689
Fund Balances:									
Designated	121,230	40,361	-	18,973	180,564	8,429	14,531	22,960	203,524
Total Liabilities and Fund Balances	\$ 129,162	\$ 259,596	\$ -	\$ 29,743	\$ 418,501	\$ 142,299	\$ 233,413	\$ 375,712	\$ 794,213

SCHEDULE A-2

CITY OF AMERY, WISCONSIN
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2007

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Landfill Contamination & Remediation Fund	Library Fund	CDBG		TID #5 Fund	TID #6 Fund	Total Capital Projects Funds	Total Capital Projects Funds	
			Business Revolving Loan Fund	Micro - Loan Fund					
REVENUES									
General Property Taxes	\$ -	\$ 197,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,681
Tax Increments	-	-	-	-	124,859	58,887	183,746	183,746	183,746
Minimum Tax Agreements	-	-	-	-	-	4,628	4,628	4,628	4,628
Intergovernmental	-	132,080	-	-	2,937	5,489	8,426	8,426	140,506
Miscellaneous:									
Interest on Investments	521	-	398	62	4,288	-	4,288	4,288	5,269
Loan Repayments	-	-	22,664	5,313	-	-	-	-	27,977
Donations	-	-	-	21,922	-	-	-	-	21,922
Sale of Land	-	-	-	-	38,560	-	38,560	38,560	38,560
Total Revenues	521	329,761	23,062	27,297	170,644	69,004	239,648	239,648	620,289
EXPENDITURES									
Sanitation	29,785	-	-	-	-	-	-	-	29,785
Culture, Recreation and Education	-	354,771	-	-	-	-	-	-	354,771
Conservation and Development	-	-	54,968	8,324	174,525	28,038	202,563	202,563	265,855
Total Expenditures	29,785	354,771	54,968	8,324	174,525	28,038	202,563	202,563	650,411
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,264)	(25,010)	(31,906)	18,973	(3,881)	40,966	37,085	37,085	(30,122)
OTHER FINANCING USES									
Transfers Out	(24,459)	-	-	-	(92,160)	(62,490)	(154,650)	(154,650)	(179,109)
NET CHANGE IN FUND BALANCES	(53,723)	(25,010)	(31,906)	18,973	(96,041)	(21,524)	(117,565)	(117,565)	(209,231)
Fund Balances, January 1	174,953	65,371	31,906	-	104,470	36,055	140,525	140,525	412,755
FUND BALANCES, DECEMBER 31	\$ 121,230	\$ 40,361	\$ -	\$ 18,973	\$ 8,429	\$ 14,531	\$ 22,960	\$ 22,960	\$ 203,524

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2007
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2006)**

	2007	2006
ASSETS		
Treasurer's Cash and Investments	\$ 41,708	\$ 289,687
Departmental Cash - Courts	13,885	10,577
Petty Cash	200	200
Current Taxes Receivable	985,488	1,040,646
Delinquent Personal Property Taxes Receivable	1,645	2,251
Special Assessments Receivable	60,159	65,464
Refuse Accounts Receivable	30,860	30,909
Other Accounts Receivable	102,889	66,182
Receivable from Redevelopment Authority:		
Interest Paid on Debt and Other Administrative Charges	53,178	46,484
2006 G.O. Promissory Note Advance	-	130,000
Prepayments	25,689	-
Advance to Revolving Loan Fund	3,740	-
	<u>\$ 1,319,441</u>	<u>\$ 1,682,400</u>
Total Assets		
LIABILITIES AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 162,872	98,756
Court Penalties Due State/County	2,776	1,617
Mobile Home Fees Due Schools	10,161	11,942
Employee Benefits Payable	12,191	-
Due to Fire Department Trust Fund	3,000	-
Deferred Revenues:		
Tax Roll Items:		
General Property Taxes	1,234,629	1,186,450
Special Assessments - Principal	4,739	5,218
Special Assessments - Interest	2,537	2,849
Other Items	-	2,151
Utility Tax Equivalent	-	66,322
Deferred Special Assessments	60,159	65,464
Advance Hanger Rental	775	550
Redevelopment Authority Advances	53,178	130,000
Special Deposits:		
Funds Held In Escrow	850	-
Municipal Court	7,009	10,577
Total Liabilities	<u>1,554,876</u>	<u>1,581,896</u>
Fund Balance:		
Reserved for:		
Delinquent Taxes	1,645	2,251
Advances to Other Funds	3,740	-
Designated:		
Police Vehicles	12,290	14,016
Police Vests	3,210	-
Machinery Purchases	96,322	150,221
Park Dedication	3,630	3,598
Offset to Above Designations [1]	(115,452)	(69,582)
Undesignated (Deficit)	(240,820)	-
Total Fund Balance	<u>(235,435)</u>	<u>100,504</u>
Total Liabilities and Fund Balance	<u>\$ 1,319,441</u>	<u>\$ 1,682,400</u>

[1] Total designations limited to available undesignated balance

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007			Variance - Positive (Negative)	2006 Actual
	Adopted Budget	Final Budget	Actual		
REVENUES					
Taxes:					
Real and Personal Property Taxes:					
General Property Taxes	\$1,191,036	\$1,191,036	\$1,186,450	\$ (4,586)	\$1,127,703
Mobile Home Parking Permit Fees	37,000	37,000	29,740	(7,260)	28,048
Motel Room Taxes	12,382	12,382	11,605	(777)	13,309
Omitted Taxes	-	-	744	744	298
Interest and Penalties on Taxes	-	-	178	178	63
Payments in Lieu of Taxes:					
DNR - Conservation Lands	1,000	1,000	273	(727)	270
Regulated Municipally Owned Utility Housing Authority	65,000	65,000	66,322	1,322	65,080
Housing Authority	21,000	21,000	20,685	(315)	20,845
Total Taxes	<u>1,327,418</u>	<u>1,327,418</u>	<u>1,315,997</u>	<u>(11,421)</u>	<u>1,255,616</u>
Special Assessments:					
Street Improvements	5,202	5,202	5,693	491	10,036
Intergovernmental:					
Federal Grant - Bulletproof Vests	-	-	925	925	-
FEMA Fire Equipment Grant	-	-	13,010	13,010	2,241
State Shared Taxes	552,041	552,041	551,219	(822)	607,933
State Exempt Computer Aid	10,418	10,418	4,586	(5,832)	10,418
Fire Insurance Tax	6,600	6,600	6,475	(125)	6,598
State Aid - Ambulance	-	-	5,245	5,245	10,705
State Aid - Tank Inspections	-	-	7,000	7,000	3,089
State Aid - Elections	-	-	391	391	-
State Aid - Police Training	1,400	1,400	2,283	883	2,983
State General Transportation Aids	203,673	203,673	203,658	(15)	199,925
State Aid - Storm Sewers	-	-	5,784	5,784	-
MSIP Grant	-	-	9,398	9,398	-
Airport Improvement Aid	-	-	48,073	48,073	-
State Highway Safety Aid	5,000	5,000	-	(5,000)	3,838
Comprehensive Planning Aid	-	-	4,998	4,998	-
Total Intergovernmental	<u>779,132</u>	<u>779,132</u>	<u>863,045</u>	<u>83,913</u>	<u>847,730</u>
Licenses and Permits:					
Licenses:					
Liquor and Malt Beverages	6,800	6,800	7,360	560	6,722
Operators	2,500	2,500	3,155	655	2,688
Cigarette	500	500	600	100	450
Mobile Home Park	280	280	290	10	56

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007			Variance - Positive (Negative)	2006 Actual
	Adopted Budget	Final Budget	Actual		
REVENUES (CONTINUED):					
Licenses and Permits (Continued):					
Licenses (Continued):					
Bicycle	\$ -	\$ -	\$ 6	\$ 6	\$ 6
Cable TV Franchise	15,000	15,000	14,892	(108)	15,365
Zoning Permits and Fees	500	500	265	(235)	380
Rental	2,500	2,500	2,268	(232)	-
Other	-	-	3	3	-
Permits:					
Building Permits	60,000	60,000	23,373	(36,627)	155,835
Street Opening Permits	1,000	1,000	300	(700)	25
Garage Sale	100	100	123	23	84
Park	700	700	480	(220)	740
Total Licenses and Permits	89,880	89,880	53,115	(36,765)	182,351
Fines and Forfeits:					
Law and Ordinance Violations:					
County Court Penalties and Costs	1,000	1,000	3,362	2,362	696
Municipal Court Penalties and Costs	44,000	44,000	50,860	6,860	42,806
Parking Violations	1,200	1,200	770	(430)	1,605
Total Fines and Forfeits	46,200	46,200	54,992	8,792	45,107
Public Charges for Services:					
General Government:					
License Publication Fees	600	600	446	(154)	590
Sale of Materials and Supplies	150	150	57	(93)	2,786
Public Safety:					
Police Department Fees	8,100	8,100	7,813	(287)	8,065
Fire Department Fees	1,000	1,000	4,075	3,075	2,940
Public Works and Sanitation:					
Sidewalks	2,500	2,500	1,800	(700)	2,265
Street Sweeping	150	150	1,252	1,102	537
Private Parking Lot Maintenance	500	500	1,327	827	500
Taxi Revenues	800	800	584	(216)	625
Airport	9,500	9,500	23,953	14,453	10,848
Weed and Nuisance Control	200	200	-	(200)	-
Landfill	500	500	509	9	742
Refuse Collection	-	-	125,159	125,159	125,726
Total Public Charges for Services	24,000	24,000	166,975	142,975	155,624

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007			Variance - Positive (Negative)	2006 Actual
	Adopted Budget	Final Budget	Actual		
REVENUES (CONTINUED):					
Intergovernmental Charges for Services:					
Counties and Municipalities:					
Fire Protection Services:					
Subsidy Charges to Townships	\$ 144,702	\$ 144,702	\$ 111,481	\$ (23,075)	\$ 91,355
2% State Tax from Townships	-	-	10,146	-	11,022
Dam	500	500	500	-	500
School Districts:					
Liaison Officer	39,824	39,824	37,924	(1,900)	37,866
Local Departments:					
Utility Equipment Rental	5,000	5,000	5,000	-	9,285
Office Space Rental to Utility	18,000	18,000	18,000	-	12,800
Total Intergovernmental Charges for Services	208,026	208,026	183,051	(24,975)	162,828
Miscellaneous:					
Interest:					
General Investments	24,250	24,250	26,641	2,391	27,957
Special Assessments	3,174	3,174	2,849	(325)	3,713
Interest on Tax Roll Charges	400	400	922	522	387
Rent:					
City Buildings	1,500	1,500	1,300	(200)	1,595
Cell Tower Space	28,500	28,500	31,065	2,565	28,456
Other:					
Donations - Skate Park	-	-	300	300	185
Sale of Other City Property:					
Sale of City Property	1,000	1,000	48,500	47,500	-
Compensation for Loss of Fixed Assets	-	-	7,046	7,046	23,717
Insurance Dividend	2,000	2,000	-	(2,000)	-
Miscellaneous	100	100	2,059	1,959	473
Refund of Prior Years Expenses	-	-	-	-	2,139
Total Miscellaneous	60,924	60,924	120,682	59,758	88,622
 Total Revenues	 2,540,782	 2,540,782	 2,763,550	 222,768	 2,747,914

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007			Variance - Positive (Negative)	2006 Actual
	Adopted Budget	Final Budget	Actual		
EXPENDITURES					
General Government:					
Legislative:					
Council	\$ 17,230	\$ 17,230	\$ 13,371	\$ 3,859	\$ 12,942
Publications	2,000	2,000	6,881	(4,881)	4,654
Executive:					
Mayor	17,517	17,517	17,451	66	17,266
General Administration:					
Clerk-Treasurer	136,290	136,290	138,048	(1,758)	121,693
Operating Supplies	4,500	4,500	4,735	(235)	4,981
Elections	3,660	3,660	9,619	(5,959)	9,266
Elections Equipment	-	-	7,898	(7,898)	12,188
Financial Administration:					
Assessment of Property	23,600	23,600	26,508	(2,908)	26,668
Special Accounting and Independent Auditing	9,000	9,000	10,950	(1,950)	10,594
Legal:					
Municipal Court	40,017	40,017	46,228	(6,211)	46,105
City Attorney	12,000	12,000	12,657	(657)	12,893
Codification of Ordinances	500	500	920	(420)	442
Buildings and Plant:					
City Hall	34,500	34,500	36,225	(1,725)	32,182
Other General Government:					
Maps	1,000	1,000	-	1,000	982
Property, Liability and Workers Compensation Insurance	71,500	71,500	74,491	(2,991)	54,498
Illegal Taxes and Refunds	-	-	750	(750)	3,436
Employee Script	2,500	2,500	-	2,500	-
Employee Benefits Administrative Costs	800	800	1,070	(270)	1,341
Unemployment Compensation Benefit	-	-	921	(921)	434
Miscellaneous	-	-	1,577	(1,577)	2,905
Total General Government	376,614	376,614	410,300	(33,686)	375,470
Public Safety:					
Police:					
Police Department	637,091	637,091	638,509	(1,418)	581,307
Police Liaison Officer	79,648	79,648	63,516	16,132	60,642
Police Vehicles	-	-	26,726	(26,726)	22,122
Fire:					
Fire Department	127,000	127,000	172,145	(45,145)	133,784
Fire Department Outlay	30,000	30,000	-	30,000	-
Payment to Retirement Trust Account	8,000	8,000	8,000	-	5,000

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007			Variance - Positive (Negative)	2006 Actual
	Adopted Budget	Final Budget	Actual		
EXPENDITURES (CONTINUED):					
Public Safety (Continued):					
Ambulance:					
Ambulance	\$ 26,217	\$ 26,217	\$ 26,217	\$ -	\$ 29,220
Ambulance Grant Expenditures	-	-	5,245	(5,245)	10,705
Inspections:					
Building Inspection	51,000	51,000	20,591	30,409	133,602
Tank Inspections	4,750	4,750	6,337	(1,587)	2,949
Other:					
Dams	1,000	1,000	173	827	18
Civil Defense	300	300	114	186	17,080
Total Public Safety	<u>965,006</u>	<u>965,006</u>	<u>967,573</u>	<u>(2,567)</u>	<u>996,429</u>
Transportation Facilities:					
Streets and Related Facilities:					
Public Works Wages and Fringe Benefits	342,924	342,924	383,318	(40,394)	363,545
Machinery and Equipment Maintenance	20,000	20,000	15,851	4,149	26,256
Utility Truck Leases	-	-	7,859	(7,859)	13,051
Machinery and Equipment Outlay	73,209	73,209	168,600	(95,391)	11,772
Safety	5,000	5,000	4,847	153	5,469
Garages and Sheds	22,500	22,500	26,230	(3,730)	22,139
Street Maintenance	155,000	155,000	159,228	(4,228)	172,922
Snow and Ice Control	34,000	34,000	40,061	(6,061)	20,357
Traffic Control	2,750	2,750	3,054	(304)	2,856
Street Lighting	50,000	50,000	77,518	(27,518)	51,238
Bridge Maintenance	50,000	50,000	7,081	42,919	6,807
Storm Sewers	12,500	12,500	47,179	(34,679)	1,832
Sidewalk/Curb and Gutter Outlay	20,000	20,000	14,152	5,848	20,522
Eldon Street/Cardinal Glass Project	-	-	315	(315)	4,159
Deronda Keller Project	-	-	50	(50)	199
Griffin Street Signals	-	-	2,134	(2,134)	7,700
Church Avenue (Partially Funded by CDBG Grant)	-	-	158,213	(158,213)	7,491
Other Transportation Facilities:					
Airport	47,270	47,270	61,627	(14,357)	73,055
Taxi Service	750	750	245	505	390
Total Transportation Facilities	<u>835,903</u>	<u>835,903</u>	<u>1,177,562</u>	<u>(341,659)</u>	<u>811,760</u>

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007			Variance - Positive (Negative)	2006 Actual
	Adopted Budget	Final Budget	Actual		
EXPENDITURES (CONTINUED):					
Sanitation:					
Sanitary Landfill	\$ 2,500	\$ 2,500	\$ 3,580	\$ (1,080)	\$ 17,242
Refuse Collection	-	-	124,494	(124,494)	125,267
Recycling/Miscellaneous Pickups	4,000	4,000	4,190	(190)	2,732
Weed Control	-	-	34	(34)	32
Total Sanitation	6,500	6,500	132,298	(125,798)	145,273
Health and Human Services:					
Cemetery	6,200	6,200	127	6,073	185
Culture, Recreation and Education:					
Library Study	-	-	37,194	(37,194)	-
Community Center Subsidy	26,500	26,500	29,731	(3,231)	22,535
Community Center Building/Systems Repairs	-	-	-	-	12,958
Water Recreation	400	400	(106)	506	482
Celebrations and Entertainment	6,500	6,500	9,879	(3,379)	3,658
Parks	41,000	41,000	31,591	9,409	34,459
Golf Course Improvements	-	-	-	-	40,600
Skating Rink	3,325	3,325	3,925	(600)	3,364
Cable Television	8,000	8,000	6,075	1,925	4,936
Recreation Facilities	-	-	16	(16)	-
Total Culture, Recreation and Education	85,725	85,725	118,305	(32,580)	122,992
Conservation and Development:					
Tree Maintenance and Restoration	1,000	1,000	34	966	29
Advertising and Promotion	6,000	6,000	3,953	2,047	9,741
Economic Development	1,000	1,000	119	881	984
Planning Commission	500	500	11,170	(10,670)	359
Planning Office	10,000	10,000	6,953	3,047	11,474
Zoning	1,000	1,000	970	30	6,756
Apple River Sanctuary	-	-	1,279	(1,279)	6,747
Kopp Addition	-	-	9,282	(9,282)	3,482
Whispering Water Development	500	500	-	500	565
Lake Shore Restoration	25,000	25,000	11,752	13,248	-
Brownsfield Demolition	-	-	20	(20)	-
Redevelopment Authority:					
Principal/Interest on Mortgage Note	13,000	13,000	12,351	649	-
Other Current Year Expenditures	-	-	145	(145)	-
Prior Years' Expenditures	-	-	46,484	(46,484)	-
Loan Proceeds for Heintz Property	-	-	-	-	130,000
Total Conservation and Development	58,000	58,000	104,512	(46,512)	170,137

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007			Variance - Positive (Negative)	2006 Actual
	Adopted Budget	Final Budget	Actual		
EXPENDITURES (CONTINUED):					
Debt Service:					
Interest on Temporary Loans	\$ -	\$ -	\$ 2,350	\$ (2,350)	\$ -
Total Expenditures	<u>2,333,948</u>	<u>2,333,948</u>	<u>2,913,027</u>	<u>(579,079)</u>	<u>2,622,246</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	206,834	206,834	(149,477)	(356,311)	125,668
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued:					
General Obligation Notes:					
Bridge Street	50,000	50,000	-	(50,000)	-
Snow Blower	49,600	49,600	-	(49,600)	-
Shoreline Restoration	25,000	25,000	-	(25,000)	-
Golf Parking Lot	-	-	-	-	20,000
Senior Center Carpet	-	-	-	-	15,000
Civil Defense Sirens	-	-	-	-	30,000
Voting Equipment	-	-	-	-	10,000
Loan to Redevelopment Authority for Purchase of Heinz Property	-	-	-	-	130,000
Transfers In:					
CDBG Grant Fund - Church Street	-	-	82,280	82,280	-
TID #6 Fund - Prior Year Redevelopment Authority	-	-	8,606	8,606	-
Water Utility - 2007 Tax Equivalent	-	-	70,089	70,089	-
Transfers Out:					
Transfers to Debt Service Fund	<u>(347,434)</u>	<u>(347,434)</u>	<u>(347,437)</u>	<u>(3)</u>	<u>(319,123)</u>
Total Other Financing Sources (Uses)	<u>(222,834)</u>	<u>(222,834)</u>	<u>(186,462)</u>	<u>36,372</u>	<u>(114,123)</u>
NET CHANGE IN FUND BALANCE [1]	(16,000)	(16,000)	(335,939)	(319,939)	11,545
Fund Balance, January 1	<u>100,504</u>	<u>100,504</u>	<u>100,504</u>	<u>-</u>	<u>88,959</u>
FUND BALANCE, DECEMBER 31	<u>\$ 84,504</u>	<u>\$ 84,504</u>	<u>\$ (235,435)</u>	<u>\$ (319,939)</u>	<u>\$ 100,504</u>

[1] Budget difference of \$16,000 consisted of fund balance applied as follows:

City Hall	\$ 2,500
Cemetery Road	5,000
Shelter at Beach	5,000
Picnic Tables	3,500
	<u>\$ 16,000</u>

SCHEDULE C-1

**CITY OF AMERY, WISCONSIN
DEBT SERVICE FUNDS
DETAILED BALANCE SHEET
DECEMBER 31, 2007**

	General Long-Term Debt Redemption Fund					Totals
	General City	Landfill Remediation Debt	TID #5 Debt	TID #6 Debt	Fire Hall Construction Debt	
ASSETS						
Treasurer's Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 91,030	\$ 91,030
Long-Term Receivables	-	-	-	-	353,673	353,673
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ 444,703	\$ 444,703
LIABILITIES AND FUND BALANCES						
Liabilities:						
Deferred Revenues	\$ -	\$ -	\$ -	\$ -	\$ 353,673	\$ 353,673
Fund Balances:						
Designated for Debt Service	-	-	-	-	91,030	91,030
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ 444,703	\$ 444,703

**CITY OF AMERY, WISCONSIN
DEBT SERVICE FUNDS
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2007**

	General Long-Term Debt Redemption Fund					Totals
	General City	Landfill Remediation Debt	TID #5 Debt	TID #6 Debt	Fire Hall Construction Debt	
REVENUES						
Intergovernmental Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 107,677	\$ 107,677
Interest Income	-	-	-	-	4,582	4,582
Total Revenues	-	-	-	-	112,259	112,259
EXPENDITURES						
Debt Service:						
General Obligation Notes:						
Principal Retirement	276,151	24,459	90,000	24,292	52,000	466,902
Interest and Fiscal Charges	50,374	-	9,258	22,494	27,083	109,209
Total Expenditures	326,525	24,459	99,258	46,786	79,083	576,111
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(326,525)	(24,459)	(99,258)	(46,786)	33,176	(463,852)
OTHER FINANCING SOURCES						
Transfers From:						
General Fund	326,525	-	-	-	20,912	347,437
Special Revenue Funds	-	24,459	-	-	-	24,459
Capital Projects Funds	-	-	99,258	46,786	-	146,044
Total Other Financing Sources	326,525	24,459	99,258	46,786	20,912	517,940
NET CHANGE IN FUND BALANCE	-	-	-	-	54,088	54,088
Fund Balances, January 1	-	-	-	-	36,942	36,942
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 91,030	\$ 91,030

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
BALANCE SHEET
DECEMBER 31, 2007
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2006)**

	<u>2007</u>	<u>2006</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 839,882	\$ 785,115
Customer Accounts Receivable	89,928	88,018
Accounts Receivable from Tax Roll	8,584	7,850
Prepaid Insurance	4,458	-
Materials and Supplies	<u>27,288</u>	<u>27,006</u>
Total Current Assets	970,140	907,989
Capital Assets:		
Utility Plant in Service	4,035,932	4,058,769
Less: Accumulated Depreciation	<u>1,040,514</u>	<u>982,883</u>
Net Capital Assets	2,995,418	3,075,886
Other Assets and Deferred Charges:		
Unamortized Debt Discount	<u>5,329</u>	<u>6,315</u>
Total Assets	<u><u>\$ 3,970,887</u></u>	<u><u>\$ 3,990,190</u></u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 1,551	\$ 3,421
Interest Accrued	2,540	2,655
Current Portion of Long-term Liabilities:		
General Obligation Debt	39,000	38,000
Accrued Employee Benefits	<u>8,404</u>	<u>7,813</u>
Total Current Liabilities	51,495	51,889
Long-Term Liabilities (Less Current Portion):		
General Obligation Notes	796,000	835,000
Accrued Employee Benefits	<u>22,030</u>	<u>25,244</u>
Total Long-Term Liabilities	<u>818,030</u>	<u>860,244</u>
Total Liabilities	869,525	912,133
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	2,160,418	2,209,201
Unrestricted	<u>940,944</u>	<u>868,856</u>
Total Net Assets	<u>3,101,362</u>	<u>3,078,057</u>
Total Liabilities and Net Assets	<u><u>\$ 3,970,887</u></u>	<u><u>\$ 3,990,190</u></u>

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)

	2007	2006
OPERATING REVENUES		
Sales of Water:		
Residential	\$ 136,557	\$ 136,033
Commercial	66,927	64,465
Industrial	14,957	21,917
Public Authorities	18,176	17,573
Public Fire Protection	136,069	133,306
Private Fire Protection	8,184	7,824
Total Sales of Water	380,870	381,118
Other Operating Revenues:		
Forfeited Discounts	682	831
Meter Expense Allocation	24,490	20,193
Miscellaneous Revenues	650	2,058
Total Other Operating Revenues	25,822	23,082
Total Operating Revenues	406,692	404,200
OPERATING EXPENSES		
Operation and Maintenance	198,716	170,699
Depreciation	91,032	90,759
Total Operating Expenses	289,748	261,458
OPERATING INCOME	116,944	142,742
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	762	714
Interest Expense	(32,191)	(33,560)
Amortization of Debt Discount and Issuance Expenses	(986)	(1,028)
2006 Property Tax Equivalent	-	(66,322)
Total Nonoperating Revenues (Expenses)	(32,415)	(100,196)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	84,529	42,546
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Plant Contributed by Customers and Developers	8,865	36,826
Transfer to General Fund - 2007 Tax Equivalent	(70,089)	-
Net Capital Contributions and Transfers	(61,224)	36,826
CHANGE IN NET ASSETS	23,305	79,372
Net Assets, January 1	3,078,057	2,998,685
NET ASSETS, DECEMBER 31	\$ 3,101,362	\$ 3,078,057

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 243,489	\$ 250,037
Cash Received for Public Fire Protection	136,069	133,306
Cash Received from Sewer Share of Meter Related Expense	24,490	20,193
Cash Payments to Suppliers for Goods and Services	(143,468)	(104,391)
Cash Payments for Employee Services	(64,481)	(58,578)
Net Cash Provided by Operating Activities	196,099	240,567
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Payments for Tax Equivalents	(70,089)	(66,322)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	(1,699)	(11,886)
Cash Received from Capital Contributed by Utility Customers	-	978
Cash Received from Governmental Grants as Contributed Capital		
Cash Received from Sale of Capital Assets	-	156
Principal Paid on Long-Term Debt	(38,000)	(37,000)
Interest Paid on Long-Term Debt	(32,306)	(33,672)
Net Cash Used by Capital and Related Financing Activities	(72,005)	(81,424)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Tax Roll Items	762	820
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,767	93,641
CASH AND CASH EQUIVALENTS, JANUARY 1	785,115	691,474
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 839,882	\$ 785,115
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 116,943	\$ 142,742
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	91,032	90,759
Changes in Assets and Liabilities:		
Increase in Customer Accounts Receivable	(2,644)	(1,729)
Decrease (Increase) in Due from Other Funds	-	1,065
Decrease (Increase) in Prepayments	(4,458)	-
Decrease (Increase) in Inventories	(282)	2,726
Increase (Decrease) in Accounts Payable	(1,869)	1,359
Increase in Accrued Employee Benefits	(2,623)	3,645
Net Cash Provided by Operating Activities	\$ 196,099	\$ 240,567
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital Assets Paid for by Customers and Developers	\$ 8,865	\$ 36,826

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)

	2007	2006
SOURCES OF SUPPLY		
Supplies and Expense	\$ 241	\$ 390
Maintenance of Source Plant	8,182	6,200
Total Sources of Supply	8,423	6,590
PUMPING		
Fuel for Pumping	12,323	15,776
Maintenance of Pumping Plant	-	243
Total Pumping	12,323	16,019
WATER TREATMENT		
Operation Labor	-	97
Chemicals	14,351	13,739
Operating Supplies and Expenses	1,843	1,199
Maintenance of Plant	195	273
Total Water Treatment	16,389	15,308
TRANSMISSION AND DISTRIBUTION		
Operation Supplies and Expenses	400	404
Maintenance of Mains	36,392	26,168
Maintenance of Services	1,427	269
Maintenance of Meters	20,048	15,405
Maintenance of Hydrants	202	18
Maintenance of Other Transmission and Distribution Plant	4,000	1,755
Total Transmission and Distribution	62,469	44,019
CUSTOMER ACCOUNTS		
Meter Reading Labor	5,514	3,946
Accounting and Collecting Labor	8,321	7,987
Office Supplies and Expenses	-	1,333
Total Customer Accounts	13,835	13,266
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	17,162	13,343
Office Supplies and Expenses	5,432	4,884
Outside Services Employed	4,314	4,054
Property and Liability Insurance	7,060	8,158
Injuries and Damages	1,856	2,145
Employees Pensions and Benefits	30,861	30,421
Miscellaneous General Expenses	10,712	8,234
Transportation Expenses	5,000	3,885
Maintenance of Plant	2,881	373
Total Administrative and General	85,278	75,497
TOTAL OPERATION AND MAINTENANCE	\$ 198,717	\$ 170,699

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
BALANCE SHEET
DECEMBER 31, 2007
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2006)**

	2007	2006
ASSETS		
Current Assets:		
Cash and Investments (Overdraft)	\$ (633,575)	\$ (618,318)
Customer Accounts Receivable	142,507	141,236
Accounts Receivable from Tax Roll	14,096	13,095
Final Billing Adjustment - Biosolids	7,761	230
Current Portion of Advance to Biosolids Facility	20,653	20,147
Prepaid Insurance	6,525	-
Materials and Supplies	3,584	4,122
Total Current Assets	(438,449)	(439,488)
Restricted Assets:		
Equipment Replacement Investments	196,352	187,948
Capital Assets:		
Utility Plant in Service	4,867,312	4,839,526
Less: Accumulated Depreciation	1,854,350	1,707,607
Net Capital Assets	3,012,962	3,131,919
Other Assets and Deferred Charges:		
Advance to Biosolids Facility (Less Current Portion)	156,815	176,434
Special Assessments Receivable	92,744	80,525
Net Other Assets and Deferred Charges	249,559	256,959
Total Assets	\$ 3,020,424	\$ 3,137,338
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 8,294	\$ 15,339
Interest Accrued	6,438	7,134
Current Portion of Long-Term Liabilities:		
Revenue Bonds:		
Treatment Plant Renovation	115,010	111,437
Biosolids Facility	19,720	19,113
Accrued Employee Benefits	13,167	12,239
Total Current Liabilities	162,629	165,262
Long-Term Liabilities (Less Current Portion):		
Revenue Bonds - Treatment Plant Renovation	915,204	1,030,215
Revenue Bonds - Biosolids Facility	156,714	176,434
Accrued Employee Benefits	34,512	39,544
Total Long-Term Liabilities	1,106,430	1,246,193
Total Liabilities	1,269,059	1,411,455
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,982,748	1,990,267
Restricted for Equipment Replacement	196,352	187,948
Unrestricted	(427,735)	(452,332)
Total Net Assets	1,751,365	1,725,883
Total Liabilities and Net Assets	\$ 3,020,424	\$ 3,137,338

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)

	2007	2006
OPERATING REVENUES		
Sewerage Revenues:		
Residential	\$ 326,529	\$ 328,278
Commercial	169,492	170,910
Industrial	49,909	79,173
Public Authorities	44,434	41,994
Total Sewerage Revenues	590,364	620,355
Other Operating Revenues:		
Forfeited Discounts	2,388	2,546
Miscellaneous Revenues	27	242
Total Other Operating Revenues	2,415	2,788
Total Operating Revenues	592,779	623,143
OPERATING EXPENSES		
Operation and Maintenance	456,338	432,881
Depreciation	150,513	148,277
Total Operating Expenses	606,851	581,158
OPERATING INCOME (LOSS)	(14,072)	41,985
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	8,404	6,349
Interest on Advance to Biosolids Facility	5,901	6,401
Interest Expense	(40,020)	(44,156)
Total Nonoperating Revenues (Expenses)	(25,715)	(31,406)
INCOME (LOSS) BEFORE CONTRIBUTIONS	(39,787)	10,579
CAPITAL CONTRIBUTIONS		
Plant Contributed by Customers and Developers	65,269	96,370
CHANGE IN NET ASSETS	25,482	106,949
Net Assets, January 1	1,725,883	1,618,934
NET ASSETS, DECEMBER 31	\$ 1,751,365	\$ 1,725,883

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 590,507	\$ 622,527
Cash Received from Sewer Share of Meter Related Expense		
Meter Related Expense	(24,490)	(20,193)
Cash Payments to Suppliers for Goods and Services	(260,791)	(228,449)
Cash Payments for Employee Services	(195,724)	(166,148)
Net Cash Provided by Operating Activities	109,502	207,737
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	-	(100,656)
Cash Received from Special Assessments	21,496	978
Principal Paid on Long-Term Debt	(111,438)	(107,976)
Interest Paid on Long-Term Debt	(34,817)	(38,332)
Net Cash Used for Capital and Related Financing Activities	(124,759)	(245,986)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	8,404	5,158
Interest Received on Tax Roll Items	-	1,413
Net Cash Provided by Investing Activities	8,404	6,571
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,853)	(31,678)
Cash and Cash Equivalents, January 1	(430,370)	(398,692)
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ (437,223)	\$ (430,370)
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (14,072)	\$ 41,985
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	150,513	148,277
Changes in Assets and Liabilities:		
Increase in Customer Accounts Receivable	(2,272)	(2,839)
Decrease (Increase) in Other Accounts Receivable	(7,531)	7,406
Decrease (Increase) in Due from Other Funds	-	2,222
Decrease (Increase) in Prepayments	(6,525)	-
Decrease (Increase) in Inventories	538	(33)
Increase (Decrease) in Accrued Employee Benefits	(4,104)	4,152
Increase in Accounts Payable	(7,045)	6,567
Net Cash Provided by Operating Activities	\$ 109,502	\$ 207,737
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Balance Sheet:		
Cash and Investments - Unrestricted	\$ (633,575)	\$ (618,318)
Cash and Investments - Restricted	196,352	187,948
Cash and Cash Equivalents per Statement of Net Assets	\$ (437,223)	\$ (430,370)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital Assets Paid for by Customers and Developers	\$ 31,556	\$ 96,370
Long-Term Debt Paid Directly by Biosolids Facility:		
Principal Repaid	19,113	18,525
Interest Paid	5,901	6,499

**CITY OF AMERY, WISCONSIN
 JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
 SEWER DEPARTMENT
 SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
 YEAR ENDED DECEMBER 31, 2007
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2006)**

	2007	2006
OPERATION		
Salaries and Wages	\$ 104,021	\$ 95,540
Fuel or Power Purchased for Pumping	35,795	39,739
Chemicals	5,486	6,235
Biosolids Facility Expense	84,395	87,925
Outside Testing	9,113	9,289
Operating Supplies and Expenses	13,664	21,092
Transportation Expenses	7,334	3,495
Total Operation	259,808	263,315
MAINTENANCE		
Sewage Collection System	34,560	6,254
Collection Pumping Equipment	4,678	18,086
Treatment and Disposal Plant Equipment	6,962	5,836
General Plant Equipment	2,091	1,952
Total Maintenance	48,291	32,128
CUSTOMER ACCOUNTING AND COLLECTION		
Billing, Collecting and Accounting Salaries	8,357	7,900
Meter Expense Allocation	24,490	20,193
Total Customer Accounting and Collection	32,847	28,093
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	14,775	13,343
Office Supplies and Expenses	3,431	5,695
Outside Services Employed	4,164	4,004
Insurance Expense	13,050	15,078
Employee Pensions and Benefits	64,467	59,454
Miscellaneous General Expenses	6,505	5,371
Rents	9,000	6,400
Total Administrative and General	115,392	109,345
TOTAL OPERATION AND MAINTENANCE EXPENSES	\$ 456,338	\$ 432,881

OTHER SCHEDULE

SCHEDULE E-1

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

NEW FIRE HALL PORTION ONLY

DUE FROM ALDEN AND LINCOLN TOWNSHIPS AT DECEMBER 31, 2007

Date	Total Receivable		Alden Township		Lincoln Township		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2008	\$ 45,263.84	\$ 12,909.07	\$ 6,744.96	\$ 1,923.95	\$ 38,518.88	\$ 10,985.12	\$ 49,504.00
2009	46,915.97	11,256.95	6,991.16	1,677.76	39,924.81	9,579.19	49,504.00
2010	48,628.40	9,544.51	7,246.33	1,422.58	41,382.07	8,121.93	49,504.00
2011	50,403.34	7,769.57	7,510.82	1,158.09	42,892.52	6,611.48	49,504.00
2012	52,243.06	5,929.86	7,784.97	883.95	44,458.09	5,045.91	49,504.00
2013	54,149.93	4,022.99	8,069.12	599.80	46,080.81	3,423.19	49,504.00
2014	56,068.76	2,104.15	8,363.64	305.27	47,705.12	1,798.88	49,504.00
	<u>\$ 353,673.30</u>	<u>\$ 53,537.10</u>	<u>\$ 52,711.00</u>	<u>\$ 7,971.40</u>	<u>\$ 300,962.30</u>	<u>\$ 45,565.70</u>	<u>\$ 346,528.00</u>