



CITY OF BURLINGTON

Administration Department
300 N. Pine Street, Burlington, WI, 53105
(262) 342-1161 - (262) 763-3474 fax
www.burlington-wi.gov

AGENDA

COMMITTEE OF THE WHOLE

Tuesday, August 1, 2017
Common Council Chambers, 224 East Jefferson Street

Mayor Jeannie Hefty
Susan Kott, Alderman, 1st District
Edward Johnson, Alderman, 1st District
Bob Grandi, Alderman, 2nd District
Ruth Dawidziak, Alderman, 2nd District
Tom Vos, Alderman, 3rd District
Jon Schultz, Council President, Alderman, 3rd District
Thomas Preusker, Alderman, 4th District
Todd Bauman, Alderman, 4th District

1. **Call to Order - Roll Call**
2. **Citizen Comments**
3. **Approval of Minutes** (*R. Dawidziak*)
 - A. Approval of the July 18, 2017 Committee of the Whole Meeting Minutes
4. **DISCUSSION:**
 - A. A discussion regarding a Downtown Strategic Initiative Update from the Racine County Economic Development Committee (RCEDC).
 - B. An update regarding the Burlington Flood.
 - C. An update regarding a Lease Agreement with the Senior Center for the 587 E. State Street property.
 - D. A discussion regarding consolidated dispatch.
5. **RESOLUTIONS:** There are none.

6. **ORDINANCES:**

- A. Ordinance 2029(6) - to create a new Section 315-95 of the Municipal Code regarding "Noise".
- B. Ordinance 2030(7) - to amend Section 219-3 of the Municipal Code regarding "Noise".

7. **MOTIONS:**

- A. Motion 17-879 to consider approving the 2016 Annual Audit.

8. **ADJOURN** (*T. Vos*)

Note: If you are disabled and have accessibility needs or need information interpreted for you, please call the City Clerk's Office at 262-342-1161 at least 24 hours prior to the meeting.



COMMITTEE OF THE WHOLE

ITEM NUMBER 3A

DATE: August 1, 2017

SUBJECT: July 18, 2017 Committee of the Whole Minutes

SUBMITTED BY: Diahnn Halbach, City Clerk

BACKGROUND/HISTORY:

The attached minutes are from the July 18, 2017 Committee of the Whole meeting.

BUDGET/FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval of the attached minutes from the July 18, 2017 Committee of the Whole meeting.

TIMING/IMPLEMENTATION:

The items is scheduled for final consideration at the August 1, 2017 Common Council meeting.

Attachments

COW Minutes



CITY OF BURLINGTON

City Clerk
300 N. Pine Street, Burlington, WI, 53105
(262) 342-1161 - (262) 763-3474 fax
www.burlington-wi.gov

CITY OF BURLINGTON
Committee of the Whole Minutes
Jeannie Hefty, Mayor
Diahnn Halbach, City Clerk
Tuesday, July 18, 2017

1. **Call to Order - Roll Call**

Mayor Jeannie Hefty called the Committee of the Whole meeting to Order at 6:30 p.m

Present: Mayor Jeannie Hefty; Alderman Susan Kott; Alderman Ed Johnson; Alderman Bob Grandi; Alderman Ruth Dawidziak; Alderman Tom Vos; Alderman Tom Preusker; Alderman Todd Bauman

Absent: Alderman Jon Schultz

Also City Administrator Carina Walters; City Attorney John Bjelajac; Finance Director Steve

Present: DeQuaker; Director of Administrative Services Megan Watkins; Police Chief Mark Anderson; Fire Chief Alan Babe; Building Inspector Gregory Guidry;

2. **Citizen Comments**

Kandace (Fettes) Moran, a Burlington resident, thanked all of staff and everyone involved in the Burlington Flood Emergency Response Team and presented the idea of having a community celebration and fundraiser. Mayor Hefty stated that there has already been talk about a celebration and gave her a name to contact.

3. **Approval of the Committee of the Whole Minutes for June 20, 2017**

A motion was made by Alderman Grandi, with a second by Alderman Johnson to approve the June 20, 2017 Committee of the Whole Minutes. With all in favor, the motion carried.

4. **RESOLUTIONS:**

- A. **Resolution 4857(15)** - to consider the award of the contract for the S. Pine Street Sanitary Sewer project to The Wanasek Corporation for the not-to-exceed amount of \$113,367.60.

Mayor Hefty introduced Resolution 4857(15). Administrator Walters gave a brief overview of the project explaining that the cost of this work was planned for with the General Obligation Bonds which were approved by Council and that a major portion of this cost would be recouped through the Special Assessment process. Walters further stated that the Board of Public Works opened three bids for the Project and based upon recommendation by the City Engineer, staff recommends that the bid be awarded to the lowest responsive bidder, Wanasek Corporation, for the not-to-exceed amount of \$113,367.50, which was \$11,548 under the estimated cost.

Attorney Bjelajac added that when the project is completed, if costs come in further under budget, costs will adjusted accordingly.

- B. **Resolution 4858(16)** - to approve an Addendum to the Agreement for Construction Management Services with Scherrer Construction for the Guaranteed Maximum Price of \$4,628,879 for the Burlington Community Pool Project.

Mayor Hefty introduced Resolution 4858(16). Walters provided an overview and background history stating that on May 16, 2017, the Common Council approved a Construction Management Agreement with Scherrer Construction for the not-to-exceed amount of 3% of the total cost of construction for the Burlington Community Pool Project. Walters added that as part of this Agreement, Council would be approving at a future meeting, a Guaranteed Maximum Price (GMP) of the cost of construction, contingency, and a 3% construction management fee for the pool project. Walters added that Scherrer Construction released a request for bids for seventeen (17) Work Categories, and on June 20, 2017, a total of forty bids were received for fifteen (15) of the categories. Walters stated that Work Category 7 - Painting, and Work Category 8 - Furnishings, were removed from the bidding and will be completed through a future change order. Walters further stated that based on the detailed bid review completed by Scherrer Construction and staff, staff recommends approval of the Addendum to the Construction Management Agreement with Scherrer Construction and allow the City Administrator discretion to complete change orders with the understanding that change orders may come before the Common Council for approval.

- C. **Resolution 4859(17)** – to adopt a Memorandum of Understanding between the City of Burlington and Racine County to accept a conditional grant in the amount of two hundred thousand dollars (\$200,000) from Racine County for the purchase of property at 587 E. State Street for use by the Burlington Senior Center.

Mayor Hefty introduced Resolution 4859(17). Walters stated that the City and County are equally committed to the Senior Center and have worked together to locate a facility that would be practical and fit the needs of the Seniors, in which the Knights of Columbus building has been found to meet the necessary needs. Walters further stated the Racine County Executive Committee unanimously approved a conditional grant of \$200,000 to the City of Burlington to use for the purchase of the Knights of Columbus building and that an offer to purchase in the amount of \$180,000 has been agreed upon, with the additional \$20,000 going towards ensuring the building is brought up to code with respect to life safety. Walters added that a closing date for the property is tentatively scheduled for July 28, 2017.

- D. **Resolution 4860(18)** - to consider approving an Extraterritorial Zoning (ETZ) Certified Survey Map (CSM) for property located on Schaal Road in the Town of Burlington.

Mayor Hefty introduced Resolution 4860(18). Gregory Guidry explained that this property is part of the City's Extraterritorial Plat Approval Jurisdiction Area with the Town of Burlington, which includes any area within 1.5 miles of the City of Burlington. Guidry stated that the applicant would like to re-divide the 2007 plat of the Schaal Woods Conservation Community in order to vacate the public right of way on Aspen Drive and abandon the utility easements, stormwater easements, and the road reservations.

- E. **Resolution 4861(19)** - to consider approval of a Certified Survey Map (CSM) for property located at 2100 Milwaukee Avenue.

Mayor Hefty introduced Resolution 4861(19). Guidry stated that the attached CSM was incorrect, but due to the flood was unable to receive the correct CSM before tonight's meeting. Megan Watkins suggested this item be tabled until the proper CSM is received.

A motion was made Alderman Vos, with a second by Alderman Preusker, to table Resolution 4861(19) until the proper CSM is received. With all in favor, the motion carried.

5. **ORDINANCES:**

There were none.

6. **MOTIONS:**

A. Motion 17-878 - to consider approving a contract with John's Disposal for Disaster Relief Aid for garbage, recycling and electronics.

Mayor Hefty introduced Motion 17-878. Walters explained that due to the flood disaster, staff worked diligently to create a Debris Management Agreement and that John's Disposal has agreed to pick up all flood damage debris including electronics. Walters stated that John's would first focus on the hardest hit areas, then move to other areas of the City and would continue this service until all debris is picked up and that final charges would be based on total tonnage.

Alderman Dawidziak thanked staff for this agreement.

7. **ADJOURN**

A motion was made by Alderman Dawidziak, with a second by Alderman Johnson, to adjourn. With all in favor, the meeting adjourned at 6:58 p.m.

Minutes respectfully submitted by:

Diahm C. Halbach
City Clerk
City of Burlington

DATE: August 1, 2017

SUBJECT: ORDINANCE 2029(6) - to create a new Section 315-95 of the Municipal Code regarding "Noise".

SUBMITTED BY: Carina Walters, City Administrator

BACKGROUND/HISTORY:

For approximately two years, the City has been working with Nestle's in respect to noise and light pollution stemming from surrounding neighbors.

As this complaint was brought to Nestle's attention and per Nestle's protocols they must mitigate the issues in order to be in good standing.

Working with Nestle's, the City Attorney and Kapur completed due diligence to compare surrounding municipal ordinances and added Section 315-95 to the City Code.

Section 315-95 of the City of Burlington zoning code imposes certain noise limitations in different zoning categories throughout the City. A review of the current Section 315-95 by City staff and the City Attorney has indicated that it is outdated and not in keeping with the noise limitations and noise enforcement procedures of other communities. The attached new Section 315-95 has been drafted by the City Attorney, with input from other local noise ordinances and similar proposed noise ordinances.

BUDGET/FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval of this ordinance.

TIMING/IMPLEMENTATION:

This item is placed on the August 1, 2017 Committee of the Whole agenda and scheduled for final consideration at the August 15, 2017 Common Council meeting.

Attachments

Ord 2029(6) Noise

**ORDINANCE TO CREATE A NEW SECTION 315-95
OF THE MUNICIPAL CODE REGARDING “NOISE”**

The City Common Council of the City of Burlington, Wisconsin, do ordain as follows:

Section 1. Section 315-95 of the City of Burlington Code of Municipal Ordinances, entitled “Noise”, is deleted in its entirety, and the following new replacement Section 315-95 is hereby adopted:

Chapter 315

ZONING

§ 315-95. Noise.

- A. Sound Limitation. The maximum allowable hourly average sound level emitted from any stationary sound source shall not exceed the limits set forth in Table 1 when measured at the nearest lot line of premises from which sound complaints are received.

TABLE 1

Land use category	Time	One-hour average sound level (dBA)
Manufacturing Districts and Quarrying/Extractive Districts	Any time	75
Business Districts	Any time	70
All other zoning districts	10:00 p.m.— 7:00 a.m. 7:00 a.m.—10:00 p.m.	55 60

“Average sound level” means a sound level typical of the sound levels observed at a certain place during a given period of time averaged by the general rule of combination for sound levels, such general rule being set forth in ANSI specifications for sound level meters. “Average sound level” is also called “equivalent continuous sound level (Leq).”

- (1) Correction for ambient conditions. Where the ambient sound level influences a measurement at a property boundary, such sound will be accounted for by applying the following correction factors:

TABLE 2

If the ambient sound level is less than the sound source by:	Add the following to the sound limit:
0—1 dBA	3 dBA
2—3 dBA	2 dBA
4—9 dBA	1 dBA

If the ambient sound level is greater than the sound limit, the sound source shall not be allowed to exceed the ambient level.

“Ambient sound level” means the sound pressure level of all-encompassing sounds associated with a given environment, being a composite of many sounds. For the purposes of this chapter, such term is the sound pressure level exceeded 90 percent of the time, based upon a measurement of not less than ten minutes and excluding the alleged offensive sounds.

- (2) Exemptions. The provisions of this Section shall not apply to:
- (a) Any sounds allowed under other provisions of the City of Burlington Code of Municipal Ordinances. This shall expressly include, but not be limited to, sounds allowed under Section 219-3 and/or this Chapter 315 of the Code of Municipal Ordinances (such as, but not limited to, a variance and/or a conditional use permit).
 - (b) Any sounds generated in a manufacturing, business, and/or quarrying/extractive district that do not comply with the sound levels of this ordinance, but which are nonetheless still approved by the City of Burlington Common Council, because the non-compliant sound is, as determined by the Common Council, in its sole and absolute discretion, (i) necessary for the conducting of the lawful activities otherwise allowed on the site in question, but (ii) such non-compliant sound is not reasonably capable of being made compliant for technical and/or economic reasons, and (iii) such non-compliant sound is not contrary to the public safety, health, and welfare of the community. The approval of the Common Council of the non-compliant sound may be subject to such conditions and/or limitations as the Common Council may determine.

B. Method of Measurement.

- (1) Equipment. Sound measurement shall be made with a sound level meter manufactured according to the specifications of the American National Standards Institute, USA Standard Specifications for General Purpose Sound Level Meters and Preferred Center Frequencies for Acoustical Measurements, or any subsequent nationally adopted standards superseding the above standards.
- (2) Location and interpretation. Sound measurement shall be made at the nearest lot line of premises from which sound complaints are received and shall be made at a height of at least three feet above the ground and at least three feet away from walls, barriers, obstructions or sound reflective surfaces. Where the nature of the sound level permits, the slow response setting shall be used to obtain the sound level on the sound level meter.

C. Application for Exemption Stays Prosecution. If a person or entity is given a citation in the City of Burlington Municipal Court system for a violation of this ordinance, and if that person/entity so cited applies for an exemption from the said sound violation under above Subsection (2)(b) of this ordinance within Fifteen (15) calendar days after the date of the issued citation, the action in the Municipal Court shall be stayed until the Common Council makes its determination under above Subsection (2)(b). If the Common Council approves the application filed under Subsection (2)(b) for the allowance of the non-compliant sound (whether with or without conditions or limitations), the legal proceeding in the Municipal Court shall then be dismissed.

Section 2. This ordinance shall take effect and be in full force after its passage and publication as required by law.

Introduced: August 1, 2017
Adopted:

Jeannie Hefty, Mayor

Attest:

Diahnn Halbach, City Clerk

DATE: August 1, 2017

SUBJECT: ORDINANCE 2030(7) - to amend Section 219-3 of the Municipal Code regarding "Noise".

SUBMITTED BY: Carina Walters, City Administrator

BACKGROUND/HISTORY:

Section 219-3 is the City's "General Noise" ordinance. The City Attorney has drafted the attached amendment to Section 219-3 so that it is consistent with the provisions of the newly drafted Section 315-95, which is placed on the same agenda.

BUDGET/FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval of the attached text amendment regarding noise.

TIMING/IMPLEMENTATION:

This item is placed on the August 1, 2017 Committee of the Whole agenda and scheduled for final consideration at the August 15, 2017 Common Council meeting.

Attachments

Ord 2030(7) Noise

**ORDINANCE TO AMEND SECTION 219-3
OF THE MUNICIPAL CODE REGARDING “NOISE”**

The City Common Council of the City of Burlington, Wisconsin, do ordain as follows:

Section 1. Section 219-3 of the City of Burlington Code of Municipal Ordinances, entitled “Specific Exceptions”, is hereby amended as follows:

Chapter 219

NOISE

§ 219-3. Specific Exceptions.

- A. The following sounds are exempt from the prohibitions contained in this noise ordinance.
- (1) Any motor vehicle and/or construction equipment and/or tools operated by (i) a City employee while engaged in a matter of City business, and/or (ii) a contractor and/or its employees performing a municipal public works project approved by the City.
 - (2) Any sounds generated at a public event approved by the City and/or the City Administrator. This shall include, but not be limited to, such events as parades, holiday celebrations, and ChocolateFest.
 - (3) Any sounds generated by activities undertaken during the course of a response to an emergency event.
 - (4) Any sounds generated by trains or aircraft, and/or airport operations.
 - (5) Any sounds generated by refuse and/or recycling collection vehicles.
 - (6) Any sounds allowed under other provisions of the City of Burlington Code of Municipal Ordinances. This shall specifically include, but not be limited to, sounds allowed under Section 315-95 of this Code of Municipal Ordinances.

Section 2. This ordinance shall take effect and be in full force after its passage and publication as required by law.

Introduced: August 1, 2017
Adopted:

Jeannie Hefty, Mayor

Attest:

Diahnn Halbach, City Clerk



DATE: August 1, 2017

SUBJECT: MOTION 17-879 - to consider approving the 2016 Annual Audit.

SUBMITTED BY: Steven DeQuaker, Finance Dir.

BACKGROUND/HISTORY:

Since 1985, Patrick Romenesko, SC has been retained by the City to complete annual audits, Tax Increment Finance District Audits and Summaries, and other financial reporting as required by the City of Burlington. This accounting firm files the required Form C and PSC financial forms to the State. All funds of the City are audited in addition to the Utilities, Airport and Housing Unit. Mr. Romenesko has completed the audit of the 2016 financials as required by state law. For your convenience, a copy of the report is attached and Pat Romenesko will be presenting the Audit to the Committee of the Whole this evening.

BUDGET/FISCAL IMPACT:

The City's Fund Balance at the end of 2016 is \$1,996,447, which is down \$67,001 from 2015. Fund Balance as a percentage of expenditure for 2016 is 26.4%. As we have previously discussed in prior annual audit discussions, there are still negative fund balances, but after TIF Close and in the 2019 budget year, these should be resolved.

Utility cash continues to improve as consistent review and rate adjustments are made. Airport continues to operate in the black.

Self Insurance fund, while still funded, has been tapped due to higher than usual claims in 2016. Staff expects these claims to subside and be closer to normal in 2017.

RECOMMENDATION:

Staff recommends adoption of the 2016 Annual Audit as presented by Patrick Romenesko, SC.

TIMING/IMPLEMENTATION:

This item will appear for final consideration on the August 1, 2017 Common Council agenda.

Attachments

Preliminary Audit Report

CITY OF BURLINGTON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2016

Preliminary Draft at July 24th

CITY OF BURLINGTON
TABLE OF CONTENTS
For the Year Ended December 31, 2016

	<u>Page</u>
Independent Auditor's Report	1 - 2
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4 - 5
Fund Financial Statements:	
Balance Sheet - Governmental Funds	6 - 7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	8 - 9
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	10
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	11
Statement of Net Position - Proprietary Funds	12 - 13
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	14
Statement of Cash Flows - Proprietary Funds	15 - 16
Statement of Fiduciary Net Position - Fiduciary Funds	17
Notes to the Financial Statements	18 - 50
<u>Required Supplementary Information:</u>	
Schedule of Proportionate Share of Net Pension Asset - Wisconsin Retirement System	52
Schedule of Contributions - Wisconsin Retirement System	52
<u>Supplementary Information:</u>	
Nonmajor Governmental Funds - Combining Balance Sheet	54 - 55
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56 - 57
General Fund - Schedule of Revenues - Budget and Actual	58 - 59
General Fund - Schedule of Expenditures - Budget and Actual	60 - 61
Long-Term Debt Schedules	62 - 71

Independent Auditor's Report

To the City Council
City of Burlington
Racine and Walworth Counties, Wisconsin

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Burlington's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington as of December 31, 2016, and the respective changes in financial position and, where applicable, the cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions on page 51 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to the my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burlington's basic financial statements. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the of the basic financial statements.

This supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Long-Term Debt Schedules as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

PATRICK W. ROMENESKO, S.C.
CERTIFIED PUBLIC ACCOUNTANT

Lake Geneva, Wisconsin
July 24, 2017

CITY OF BURLINGTON
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		Housing Authority
Assets				
Pooled cash and investments	\$ 2,423,151	\$ 1,734,107	\$ 4,157,258	\$ 74,294
Receivables:				
2016 tax levy	10,330,108	-	10,330,108	-
Accounts and other	90,356	1,244,939	1,335,295	1,494
Special assessments	13,947	126,691	140,638	-
Internal balances	480,913	(480,913)	-	-
Inventories	-	45,982	45,982	-
Prepaid items	21,368	-	21,368	14,769
Restricted assets - cash and investments	1,879,764	398,970	2,278,734	271,217
Notes receivable	1,852,426	-	1,852,426	-
Net pension asset	-	-	-	-
Other deferred debits	65,915	105,487	171,402	-
Capital assets (net of accumulated depreciation):				
Land and land rights	20,147,482	1,164,332	21,311,814	87,236
Buildings and improvements	9,896,104	30,839,795	40,735,899	3,195,953
Land improvements and other structures	3,667,133	2,054,267	5,721,400	652,831
Machinery and equipment	7,566,917	10,696,392	18,263,309	137,904
Infrastructure	43,777,543	34,816,036	78,593,579	-
Less: accumulated depreciation	(31,456,012)	(34,533,400)	(65,989,412)	(1,866,665)
Total assets	70,757,115	48,212,685	118,969,800	2,569,033
Deferred Outflows of Resources				
Deferred outflows related to pension	2,834,270	538,230	3,372,500	33,072
Total Assets and Deferred Outflows of Resources	73,591,385	48,750,915	122,342,300	2,602,105
Liabilities				
Accounts payable and other current liabilities	744,834	201,807	946,641	13,092
Accrued interest payable	107,937	6,278	114,215	-
Deposits held	25,886	3,000	28,886	33,398
Liabilities payable from restricted assets:				
Accrued interest payable	-	56,024	56,024	-
Non-current liabilities:				
Compensated absences, due beyond one year	304,353	81,640	385,993	-
Net pension liability	508,485	96,567	605,052	5,371
Bonds and notes payable, due within one year	3,934,696	1,011,978	4,946,674	29,568
Bonds and notes payable, due beyond one year	17,819,367	13,591,549	31,410,916	2,180,593
Total liabilities	23,445,558	15,048,843	38,494,401	2,262,022
Deferred Inflows of Resources				
Property taxes	10,791,435	-	10,791,435	-
Deferred inflows related to pension	1,070,097	203,222	1,273,319	11,301
	11,861,532	203,222	12,064,754	11,301
Net Position				
Invested in capital assets, net of related debt	31,845,104	30,716,377	62,561,481	264,485
Restricted for debt service	1,879,764	398,970	2,278,734	-
Restricted for pension benefits	1,255,688	238,441	1,494,129	16,400
Unrestricted	3,303,739	2,145,062	5,448,801	47,897
Total net position	\$ 38,284,295	\$ 33,498,850	\$ 71,783,145	\$ 328,782

See accompanying notes to financial statements.

Preliminary Draft at July 24th

A two-page statement of activities follows.

CITY OF BURLINGTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 1,165,996	\$ 47,611	\$ -	\$ -
Public safety	4,267,764	508,006	71,543	-
Public works	3,326,027	7,224	654,624	14,895
Health and human services	84,207	-	-	-
Culture, recreation and education	1,558,915	52,413	323,547	91,197
Conservation and development	885,663	26,227	-	-
Interest and fiscal charges	518,516	-	-	-
Total governmental activities	<u>11,807,089</u>	<u>641,481</u>	<u>1,049,714</u>	<u>106,092</u>
Business-type activities:				
Water	1,767,848	2,362,442	-	91,593
Sewer	3,564,680	3,055,983	-	108,900
Airport	677,771	654,147	-	-
Total business-type activities	<u>6,010,299</u>	<u>6,072,572</u>	<u>-</u>	<u>200,493</u>
Total primary government	<u>17,817,388</u>	<u>6,714,053</u>	<u>1,049,714</u>	<u>306,585</u>
Component unit:				
Housing authority	<u>\$ 434,995</u>	<u>\$ 330,681</u>	<u>\$ 83,334</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes levied for general purposes

Franchise taxes

Public accommodation taxes

Payments in lieu of taxes

Intergovernmental revenues not restricted
to specific programs

Property rents

Loss on retirement of assets

Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

See accompanying notes to financial statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Authority
\$ (1,118,385)	\$ -	\$ (1,118,385)	\$ -
(3,688,215)	-	(3,688,215)	-
(2,649,284)	-	(2,649,284)	-
(84,207)	-	(84,207)	-
(1,091,758)	-	(1,091,758)	-
(859,436)	-	(859,436)	-
(518,516)	-	(518,516)	-
<u>(10,009,802)</u>	<u>-</u>	<u>(10,009,802)</u>	<u>-</u>
-	686,187	686,187	-
-	(399,797)	(399,797)	-
-	(23,624)	(23,624)	-
<u>-</u>	<u>262,766</u>	<u>262,766</u>	<u>-</u>
<u>(10,009,802)</u>	<u>262,766</u>	<u>(9,747,036)</u>	<u>-</u>
			<u>(20,980)</u>
10,012,316	-	10,012,316	-
131,538	-	131,538	-
121,151	-	121,151	-
34,232	-	34,232	-
726,952	-	726,952	-
56,851	-	56,851	-
(11,885)	-	(11,885)	-
119,119	(16,913)	102,206	358
540,875	(503,123)	37,752	-
<u>11,731,149</u>	<u>(520,036)</u>	<u>11,211,113</u>	<u>358</u>
1,721,347	(257,270)	1,464,077	(20,622)
<u>36,562,948</u>	<u>33,756,120</u>	<u>70,319,068</u>	<u>349,404</u>
<u>\$ 38,284,295</u>	<u>\$ 33,498,850</u>	<u>\$ 71,783,145</u>	<u>\$ 328,782</u>

Preliminary Draft at July 24th

Preliminary Draft at July 24th

A two-page balance sheet - governmental funds follows.

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

<u>Assets</u>	TIF No. 3		Environmental		TIF No. 5	Other	Total
	General	Debt Service	TIF Debt Service	Capital Projects			
Pooled cash and investments	\$ 604,867	\$ -	\$ -	\$ 174,281	\$ 2,515,051	\$ 3,294,199	
Receivables:							
2016 tax levy	5,312,285	4,023,219	42,692	140,255	811,657	10,330,108	
Accounts and other	63,589	-	-	26,767	-	90,356	
Special assessments	13,947	-	-	-	-	13,947	
Due from other funds	936,868	-	-	-	-	936,868	
Prepaid items	11,684	-	-	-	9,684	21,368	
Restricted assets:							
Cash and investments	-	1,879,764	-	-	-	1,879,764	
Advances to other funds	1,424,252	1,771,462	-	-	-	3,195,714	
Notes receivable	-	-	986,236	-	866,190	1,852,426	
Total assets	8,367,492	7,674,445	1,028,928	341,303	4,202,582	21,614,750	

Liabilities, Deferred Inflows of Resources and Fund Balances

<u>Liabilities:</u>	TIF No. 3		Environmental		TIF No. 5	Other	Total
	General	Debt Service	TIF Debt Service	Capital Projects			
Accounts payable and accrued expenses	538,014	347	208	17,213	70,295	626,077	
Due to other funds	-	-	70,399	317,797	67,759	455,955	
Deposits held	25,886	-	-	-	-	25,886	
Advances from other funds	-	-	1,771,462	-	1,424,252	3,195,714	
Total liabilities	563,900	347	1,842,069	335,010	1,562,306	4,303,632	
Deferred Inflows of Resources:							
Deferred revenue	5,773,612	4,023,219	1,028,928	167,022	1,677,847	12,670,628	
Deferred special assessments	33,533	-	-	-	-	33,533	
Total deferred inflows of resources	5,807,145	4,023,219	1,028,928	167,022	1,677,847	12,704,161	

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	TIF No. 3 Debt Service Fund	Environmental TIF District	TIF No. 5 Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Fund balances:</u>					
Nonspendable for:					
Prepaid expenditures	11,684	-	-	-	11,684
Permanent funds	-	-	-	50,000	50,000
Net advances to other funds	1,424,252	1,771,462	-	-	3,195,714
Restricted	-	1,879,417	-	-	1,879,417
Assigned	-	-	-	912,429	912,429
Unassigned	560,511	(1,842,069)	(160,729)	-	(1,442,287)
Total fund balances	<u>1,996,447</u>	<u>(1,842,069)</u>	<u>(160,729)</u>	<u>962,429</u>	<u>4,606,957</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,367,492</u>	<u>\$ 1,028,928</u>	<u>\$ 341,303</u>	<u>\$ 4,202,582</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Pension related assets and liabilities

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Internal service funds are used by management to charge the costs of health and dental insurance benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net position of governmental activities

	53,665,082
	1,255,688
	1,912,726
	(989,805)
	<u>(22,166,353)</u>
	<u>\$ 38,284,295</u>

See accompanying notes to financial statements.

Preliminary Draft at July 24th

A two-page statement of revenues, expenditures and changes in fund balances - governmental funds follows.

CITY OF BURLINGTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Revenues	TIF No. 3		Environmental		TIF No. 5 Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Debt Service	TIF Debt Service	TIF No. 5 Capital Projects			
Taxes:							
General property taxes	\$ 4,817,528	\$ 3,943,300	\$ 39,831	-	\$ 1,211,657	\$ 10,012,316	
Payments in lieu of taxes	34,232	-	-	-	-	34,232	
Room tax and other taxes	121,151	-	-	-	-	121,151	
Intergovernmental	1,429,995	17,743	62	-	283,256	1,731,056	
Licenses and permits	498,999	-	-	-	-	498,999	
Fines and forfeitures	181,201	-	-	-	-	181,201	
Charges for services	102,383	-	-	-	20,733	123,116	
Special assessments	33,745	-	-	-	-	33,745	
Investment income	(1,957)	9,901	51,202	1,082	58,891	119,119	
Repayments of note receivable principal	-	-	44,919	-	30,564	75,483	
Other	21,208	-	-	-	142,153	163,361	
Total revenues	7,238,485	3,970,944	136,014	1,082	1,747,254	13,093,779	
Expenditures							
Current:							
General government	1,028,475	14,895	442	8,046	-	1,051,858	
Public safety	3,592,911	-	-	-	4,143	3,597,054	
Public works	1,942,957	-	-	-	10,991	1,953,948	
Health and human services	84,207	-	-	-	-	84,207	
Culture, recreation and education	546,641	-	-	-	711,514	1,258,155	
Conservation and development	225,143	3,513	-	18,881	189,827	437,364	
Capital outlay	-	-	-	209,695	398,822	608,517	
Debt service:							
Principal	-	3,533,064	95,000	-	317,787	3,945,851	
Interest and fiscal charges	-	204,655	50,419	75,246	212,649	542,969	
Total expenditures	7,420,334	3,756,127	145,861	311,868	1,845,733	13,479,923	
Excess (deficiency) of revenues over (under) expenditures	(181,849)	214,817	(9,847)	(310,786)	(98,479)	(386,144)	

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	TIF No. 3	Environmental	TIF No. 5	Other	Total
	Debt	TIF Debt	Capital	Governmental	Governmental
	Service	Service	Projects	Funds	Funds
	General				
Other Financing Sources (Uses)					
Transfers in	54,295	-	-	455,322	509,617
Transfers out	(455,322)	-	-	(29,295)	(484,617)
Water utility tax equivalent	515,875	-	-	-	515,875
Sale of capital assets	-	-	-	2,850	2,850
Total other financing sources and uses	114,848	-	-	428,877	543,725
Net change in fund balances	(67,001)	214,817	(310,786)	330,398	157,581
Fund balances - beginning	2,063,448	3,436,062	150,057	632,031	4,449,376
Fund balances - ending	\$ 1,996,447	\$ 3,650,879	\$ (160,729)	\$ 962,429	\$ 4,606,957

See accompanying notes to financial statements.

CITY OF BURLINGTON
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Amounts reported for governmental activities in the statement of activities (Pages 4 - 5) are different because:

Net change in fund balances - total governmental funds (page 8)	\$ 157,581
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Certain capital outlay costs that are recorded as capital assets in the government-wide financial statements	542,941
Depreciation expense is recorded in the government-wide statements	(1,833,647)
Net book value of assets retired affects net position	(14,735)
<p>Changes in the net pension asset and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the plan</p>	
	(336,915)
<p>Long-term receivables not available are reported as revenue in the fund financial statements when collected or currently available, but are recognized as revenue when earned in the government-wide financial statements.</p>	
Notes receivable transactions	(515,986)
Special assessments transactions	(26,646)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position.</p>	
Principal payments and defeasance of long-term debt	3,945,851
<p>Some expenses 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.</p>	
Changes in interest accrued on long-term debt	24,453
Changes in compensated absences	5,567
<p>The net revenue of internal service fund activity is reported with governmental activities.</p>	
	<u>(227,117)</u>
Change in net position of governmental activities (Pages 4 - 5)	<u>\$ 1,721,347</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes:			
General property taxes	\$ 4,820,140	\$ 4,817,528	\$ (2,612)
Payments in lieu of taxes	35,000	34,232	(768)
Room tax	105,000	120,888	15,888
Other taxes	150	263	113
Intergovernmental	1,372,270	1,429,995	57,725
Licenses and permits	382,480	498,999	116,519
Fines and forfeitures	195,000	181,201	(13,799)
Charges for services	101,000	102,383	1,383
Special assessments	25,000	33,745	8,745
Investment income	12,500	(1,957)	(14,457)
Other	28,600	21,208	(7,392)
Total revenues	<u>7,077,140</u>	<u>7,238,485</u>	<u>161,345</u>
<u>Expenditures</u>			
Current:			
General government	937,418	1,028,475	(91,057)
Public safety	3,669,186	3,592,911	76,275
Public works	1,947,975	1,942,957	5,018
Health and human services	80,917	84,207	(3,290)
Culture, recreation and education	675,217	546,641	128,576
Conservation and development	196,260	225,143	(28,883)
Total expenditures	<u>7,506,973</u>	<u>7,420,334</u>	<u>86,639</u>
Excess expenditures over revenues	<u>(429,833)</u>	<u>(181,849)</u>	<u>247,984</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	49,000	54,295	5,295
Transfers out	(67,490)	(455,322)	(387,832)
Water utility tax equivalent	474,000	515,875	41,875
Total other financing sources and uses	<u>455,510</u>	<u>114,848</u>	<u>(340,662)</u>
Change in fund balances	25,677	(67,001)	(92,678)
Fund balances - beginning	<u>2,063,448</u>	<u>2,063,448</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,089,125</u>	<u>\$ 1,996,447</u>	<u>\$ (92,678)</u>

See accompanying notes to financial statements.

Preliminary Draft at July 24th

A two-page statement of net position -
proprietary funds follows.

CITY OF BURLINGTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
Assets					
Current assets:					
Cash and investments	\$ 132,566	\$ 360,662	\$ 369,752	\$ 862,980	\$ -
Receivables:					
Customer accounts receivable	647,485	429,758	6,825	1,084,068	-
Special assessments	52,345	74,346	-	126,691	-
Other	88,729	72,142	-	160,871	-
Inventories	20,724	-	25,258	45,982	-
Total current assets	941,849	936,908	401,835	2,280,592	-
Noncurrent assets:					
Restricted assets:					
Restricted cash and investments	205,003	193,967	-	398,970	-
Other assets:					
Other deferred debits	104,833	654	-	105,487	-
Capital assets:					
Property, plant and equipment	25,496,108	50,965,653	3,109,061	79,570,822	-
Less accumulated depreciation	(7,949,144)	(25,128,923)	(1,455,333)	(34,533,400)	-
Total capital assets, net	17,546,964	25,836,730	1,653,728	45,037,422	-
Total noncurrent assets	17,856,800	26,031,351	1,653,728	45,541,879	-
Total assets	18,798,649	26,968,259	2,055,563	47,822,471	-
Deferred Outflows of Resources					
Deferred outflows related to pension	226,286	311,944	-	538,230	-
Total Assets and Deferred Outflows of Resources	\$ 19,024,935	\$ 27,280,203	\$ 2,055,563	\$ 48,360,701	\$ -

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
Liabilities					
Current liabilities:					
Accounts payable	\$ 65,258	\$ 97,625	\$ 254	\$ 163,137	\$ 118,758
Accrued payroll	22,609	16,062	-	38,671	-
Accrued interest payable	2,389	3,889	-	6,278	-
Due to general fund	480,913	-	-	480,913	-
Current portion of general obligation bonds	25,000	40,000	-	65,000	-
Current portion of lease obligation payable	-	69,869	-	69,869	-
Deposits held	-	3,000	-	3,000	-
Total current liabilities	596,169	230,445	254	826,868	118,758
Current liabilities payable from restricted assets:					
Current portion of revenue bonds payable	283,105	594,004	-	877,109	-
Accrued interest payable	12,548	43,476	-	56,024	-
Total current liabilities payable from restricted assets	295,653	637,480	-	933,133	-
Noncurrent liabilities:					
Revenue bonds payable	2,585,459	9,464,718	-	12,050,177	-
General obligation bonds payable	580,000	890,000	-	1,470,000	-
Lease purchase obligation payable	-	71,372	-	71,372	-
Net pension liability	40,598	55,969	-	96,567	-
Compensated absences	43,623	38,017	-	81,640	-
Total noncurrent liabilities	3,249,680	10,520,076	-	13,769,756	-
Total liabilities	4,141,502	11,388,001	254	15,529,757	118,758
Deferred Inflows of Resources					
Deferred inflows related to pension	85,440	117,782	-	203,222	-
Net Position					
Invested in capital assets, net of related debt	14,073,400	14,989,249	1,653,728	30,716,377	-
Restricted for debt service	205,003	193,967	-	398,970	-
Restricted for pension benefits	100,248	138,193	-	238,441	-
Unrestricted	419,342	453,011	401,582	1,273,935	(118,758)
Total net position	\$ 14,797,993	\$ 15,774,420	\$ 2,055,310	\$ 32,627,723	\$ (118,758)

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
Operating Revenues					
Charges for sales and services:					
Water sales	\$ 2,345,933	\$ -	\$ -	\$ 2,345,933	\$ -
Sewer charges	-	3,055,937	-	3,055,937	-
Fuel sales	-	-	554,543	554,543	-
Billings to departments	-	-	-	-	1,476,903
Other	16,509	46	99,604	116,159	36,812
Total operating revenues	2,362,442	3,055,983	654,147	6,072,572	1,513,715
Operating Expenses					
Operation and maintenance	1,021,601	5,572,619	101,157	2,695,377	-
Fuel for resale	-	-	469,437	469,437	-
Depreciation	611,526	1,684,870	96,708	2,393,104	-
Taxes	31,009	42,061	10,469	83,539	-
Insurance claims and administration	-	-	-	-	1,692,207
Total operating expenses	1,664,136	3,299,550	677,771	5,641,457	1,692,207
Operating income (loss)	698,306	(243,567)	(23,624)	431,115	(178,492)
Nonoperating Revenues (Expenses)					
Investment income (loss)	2,522	(19,435)	-	(16,913)	4,506
Interest expense	(92,181)	(292,110)	-	(384,291)	-
Total nonoperating revenue (expenses)	(89,659)	(311,545)	-	(401,204)	4,506
Income before contributions and transfers	608,647	(555,112)	(23,624)	29,911	(173,986)
Capital contributions - other	91,593	108,900	-	200,493	-
Transfers out	-	-	(25,000)	(25,000)	-
Tax equivalent to municipality	(515,875)	-	-	(515,875)	-
Change in net position	184,365	(446,212)	(48,624)	(310,471)	(173,986)
Net position - beginning of year	14,613,628	16,220,632	2,103,934	32,938,194	55,228
Net position - end of year	\$ 14,797,993	\$ 15,774,420	\$ 2,055,310	\$ 32,627,723	\$ (118,758)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				871,127	
Net position of business - type activities (page 3)					\$ 33,498,850

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net position of business - type activities (page 3)

See accompanying notes to financial statements.

Preliminary Draft at July 24th

A two-page statement of cash flows -
proprietary funds follows.

CITY OF BURLINGTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport				
<u>Cash Flows from Operating Activities</u>							
Receipts from customers and users	\$ 2,317,884	\$ 3,134,076	\$ 657,857		\$ 6,109,817	\$ -	
Receipts from interfund services provided	-	-	-		-	1,513,715	
Payments to suppliers	(564,678)	(1,013,462)	(584,703)		(2,162,843)	-	
Payments to employees	(431,050)	(568,221)	-		(999,271)	-	
Payments for interfund services used	-	-	-		-	(1,672,227)	
Net cash provided by (used for) operating activities	1,322,156	1,552,393	73,154		2,947,703	(158,512)	
<u>Cash Flows from Noncapital Financing Activities</u>							
Transfers to other funds	(515,875)	-	(25,000)		(540,875)	-	
Advances repaid to other funds	(112,480)	(286,123)	-		(398,603)	-	
Net cash used for noncapital financing activities	(628,355)	(286,123)	(25,000)		(939,478)	-	
<u>Cash Flows from Capital and Related Financing Activities</u>							
Capital contributions	2,286	108,900	-		111,186	-	
Acquisition and construction of capital assets	(253,965)	(38,223)	-		(292,188)	-	
Principal paid on bonds	(301,100)	(687,441)	-		(988,541)	-	
Interest paid	(93,461)	(292,110)	-		(385,571)	-	
Special assessment collections	7,225	5,754	-		12,979	-	
Net cash used for capital and related financing activities	(639,015)	(903,120)	-		(1,542,135)	-	
<u>Cash Flows from Investing Activities</u>							
Investment income (loss)	2,522	(19,435)	-		(16,913)	4,506	
Net cash provided by (used for) investing activities	2,522	(19,435)	-		(16,913)	4,506	
Net increase (decrease) in cash and cash equivalents	57,308	343,715	48,154		449,177	(154,006)	
Cash and cash equivalents - beginning of year	280,261	210,914	321,598		812,773	154,006	
Cash and cash equivalents - end of year	\$ 337,569	\$ 554,629	\$ 369,752		\$ 1,261,950	\$ -	

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals		
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities						
Operating income (loss)	\$ 698,306	\$ (243,567)	\$ (23,624)	\$ 431,115	\$ (178,492)	
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	611,526	1,684,870	96,708	2,393,104	-	
Depreciation charged to clearing account	21,036	-	-	21,036	-	
(Increase) decrease in customer and other receivables	(44,558)	78,093	3,710	37,245	-	
(Increase) decrease in inventories	(7,950)	-	6,322	(1,628)	-	
(Increase) decrease in net pension and deferred items	26,897	37,081	-	63,978	-	
Increase (decrease) in accounts payable	33,988	(14,999)	(9,962)	9,027	(9,833)	
Increase (decrease) in accrued payroll	12,972	501	-	13,473	-	
Increase (decrease) in due to other funds	(34,962)	-	-	(34,962)	29,813	
Increase (decrease) in compensated absences payable	4,901	10,414	-	15,315	-	
Total adjustments	623,850	1,795,960	96,778	2,516,588	19,980	
Net cash provided by (used for) operating activities	1,322,156	1,552,393	73,154	2,947,703	(158,512)	
Reconciliation of Cash and Cash Equivalents to Statement of Net Position - Proprietary Funds						
Cash and investments reported as current assets	132,566	360,662	369,752	862,980	-	
Cash and investments reported as restricted assets	205,003	193,967	-	398,970	-	
Cash and cash equivalents - end of year	\$ 337,569	\$ 554,629	\$ 369,752	\$ 1,261,950	\$ -	
Noncash Capital and Related Financing Activities						
Capital additions of \$89,307 and \$1,790,320 were contributed to the water and sewer utilities, respectively, by developers.						

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	<u>Tax Roll</u>	<u>Municipal Court</u>	<u>Developers' Reimbursement Fund</u>	<u>Totals</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 8,371,695	\$ 3,218	\$ 7,611	\$ 8,382,524
Taxes receivable	2,261,493	-	-	2,261,493
Total assets	10,633,188	3,218	7,611	10,644,017
<u>Liabilities</u>				
Liabilities:				
Accounts payable	141,752	3,218	-	144,970
Due to county and state	2,697,305	-	-	2,697,305
Due to school and VTAE districts	7,794,131	-	-	7,794,131
Deposits held	-	-	7,611	7,611
Total liabilities	10,633,188	3,218	7,611	10,644,017
Net Position	\$ -	\$ -	\$ -	\$ -

Preliminary Draft at July 24th

See accompanying notes to financial statements.

CITY OF BURLINGTON
INDEX TO NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

<u>Note Number</u>	<u>Page</u>
1. Summary Of Significant Accounting Policies	
A. Reporting Entity	19
B. Government-Wide and Fund Financial Statements	19 - 20
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	20 - 22
D. Assets, Liabilities, and Net Position or Equity	
1. Cash and Investments	23
2. Receivables and Payables	23 - 24
3. Inventories and Prepaid Items	24
4. Restricted Assets	24
5. Capital Assets	25
6. Compensated Absences	25
7. Deferred Outflows/Inflows of Resources	25 - 26
8. Long-Term Obligations	26
9. Pensions	26
10. Fund Equity	26 - 27
11. User Utility Rates	27
E. Accounting Changes	27
2. Reconciliation of Government-Wide and Fund Financial Statements	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position	27 - 28
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities	28
3. Stewardship, Compliance, and Accountability	
A. Budgetary Information	28
B. Deficit Fund Equity	29
C. General Fund Nonspendable Fund Balances	29
D. Utility Bond Covenant Compliance	29
4. Detailed Notes on All Funds	
A. Cash and Investments	30 - 31
B. Receivables	32
C. Capital Assets	33 - 36
D. Interfund Receivables, Payables and Transfers	36 - 37
E. Long-Term Obligations	37 - 40
5. Other Information	
A. Risk Management	40
B. Compensated Absences	41
C. Wisconsin Retirement System Pension Plan	41 - 46
D. Tax Incremental Financing Districts	46 - 48
E. Litigation and Contingencies	48
F. Restatement of Fund Balance/Net Position	48
G. Cumulative Effect of Change in Accounting Principle	48
H. Subsequent Events	49
I. Housing Authority Component Unit	49 - 50

CITY OF BURLINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1 - Summary Of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles of state and local governments, except the Management's Discussion and Analysis has not been presented. Statement No. 34 of the Governmental Accounting Standards Board calls for the inclusion of this information as required supplementary information.

A. Reporting Entity

The City of Burlington (the city) is a municipal corporation governed by an elected mayor and eight-member council. The accompanying financial statements present the city and its component unit, an entity for which the city is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the city.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. Although it is a legally separate entity, standards set forth in Statement No. 61 of the Governmental Accounting Standards Board require that the financial statements of the Housing Authority of the City of Burlington be reported as a component unit of the city due to the appointment of its board of commissioners by the city's mayor. The Housing Authority of the City of Burlington is reported as a discretely presented component unit to emphasize that it is an entity that is legally separate from the city. The financial information included in the statement of net position is as of the Housing Authority's fiscal year end of August 31, 2016. Complete financial statements for the component unit may be obtained at its administrative offices.

Riverview Manor
580 Madison Street
Burlington, Wisconsin 53105

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component unit. 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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 with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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*.

Note 1 - Summary Of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - Continued

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments 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 considered to be measurable and available only when cash is received by the city.

Funds are organized as either major funds or non-major funds within the governmental, proprietary, and fiduciary statements. A fund is considered major if it is the primary operating fund of the government or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or proprietary fund that the government considers to be particularly important to financial statement users may be reported as a major fund. The city chose to report its airport enterprise fund as a major fund.

Note 1 - Summary Of Significant Accounting Policies - Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Major Funds

The city reports the following major governmental funds:

The *General fund* is the city's primary operating fund. It accounts for all financial resources of the city except those required to be accounted for in another fund.

TIF No. 3 Debt service fund - accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of the city's Tax Incremental Financing District No. 3.

TIF No. 5 Capital projects fund - accounts for the financial resources segregated for the acquisition and construction of major capital facilities for the city's Tax Incremental Financing District No. 5.

Environmental TIF District fund - accounts for remediation and other capital costs as authorized by the Wisconsin statutes.

The city reports the following major proprietary funds:

Sewer utility enterprise fund - accounts for the activities of operating the sewage treatment plant, sewage pumping stations and collections systems.

Water utility enterprise fund - accounts for the activities of operating the water distribution system.

Airport enterprise fund - accounts for the activities of the city's airport operations.

Non-Major Funds

The city reports the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

- Library Operations
- Community Development Block Grant
- TIF No. 3 Revolving Loan
- Park Development
- Library Trust
- Police Donations
- Wehmhoff

Debt Service Fund - Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

- General Debt Service

Capital Projects Funds - Capital projects funds are used to account for financial resources segregated for the acquisition and construction of major capital facilities.

- Energy Improvement
- Revolving Capital Projects
- Infrastructure
- Storm water Management
- Facade Grants

Note 1 - Summary Of Significant Accounting Policies - Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Additionally, the city reports the following fund types:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the city, on a cost reimbursement basis. The city's internal service fund accounts for the city's risk financing activities related to its employee health insurance medical claims.

Agency Funds - Trust and agency funds are used to account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. For the city, the agency funds are:

- Tax Roll Fund
- Municipal Court Bond Fund
- Developers' Reimbursement Fund

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water enterprise fund, the sewer enterprise fund, and the airport enterprise fund are charges to customers for sales and services. The water and sewer enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Investments

The city's cash and investments consist of cash on hand, checking accounts, savings accounts, certificates of deposit, the state Local Government Investment Pool and government agency securities. Pooled bank accounts that are shared between its various accounting funds are maintained. Each fund's cash balance represents the residual cash available to it after all other transactions.

Investment of city funds are restricted by state statutes. Permitted investments for the city include any of the following:

(1) Time deposits maturing within three years in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to do business in Wisconsin. (2) Bonds or securities issued or guaranteed by the federal government and its agencies. (3) The Wisconsin Local Government Investment Pool and Wisconsin Investment Trust. (4) Bonds or securities of any county, city, drainage district, technical college district, local exposition district, local professional baseball park district, city, town, or school district of the state and the University of Wisconsin Hospitals and Clinics Authority. (5) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by a nationally recognized rating agency or if that security is senior to, or on parity with, a security of the same issuer which has such a rating. (6) Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities. (7) Securities of open-end management companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds or securities issued by the federal government or a commission, board or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds and securities.

2. Receivable and Payables

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectable amounts.

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 statements 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.

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Position or Equity - Continued

2. Receivable and Payables - Continued

Property taxes are levied in December on the assessed value as of the prior January 1. Property taxes are recorded as a receivable and deferred revenue in the appropriate fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school districts and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred revenues and due to other governments on the statement of net position. Property tax payments received prior to year end are reflected in the agency fund. Interest on delinquent property taxes is recognized as revenue when received.

Details of the city's property tax calendar for the 2016 tax levy follows:

Lien and levy dates	December 2016
Real estate collection due dates:	
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property tax due in full	January 31, 2017
Final settlement with county	August 2017
Tax sale of 2016 delinquent real estate taxes	October 2019

3. Inventories and Prepaid Items

Inventories of the utility enterprise fund are generally used in the operation and maintenance of the water utility. The inventories are valued at cost (first-in, first-out method), which is not in excess of market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Restricted Assets

Cash and equivalents of the city's utilities have been restricted by bond resolution for the following purposes:

	Water Utility	Sewer Utility	Totals
Bond reserve account	\$ 205,003	\$ ---	\$ 205,003
Bond debt service fund	---	193,967	193,967
Total	<u>\$ 205,003</u>	<u>\$ 193,967</u>	<u>\$ 398,970</u>

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Position or Equity - Continued

5. Capital Assets

Capital assets, which include land, buildings, 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 government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. 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 is included as part of the capitalized value of assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50 - 75
Land improvements	30
Roads	30
Other infrastructure	30 - 50
Vehicles	5 - 10
Office equipment	6 - 10
Computer equipment	5

6. Compensated Absences

City employees earn vacation time in varying amounts and it must generally be taken by the employee's anniversary date according to city policy. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The city has one item that qualifies for reporting in this category. The item is related to the city's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The city has one type of item that qualifies for reporting in this

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Position or Equity - Continued

7. Deferred Outflows/Inflows of Resources - Continued

category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The city also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental fund reports unavailable revenues from special assessments. This amount is deferred and recognized as an inflow of resources in the period the amount become available.

8. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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. Pensions

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

10. Fund Equity

Accounting principles generally accepted require the classification of fund balances into various components. The components used by the city in the fund financial statements are defined as follows:

Nonspendable - This component of fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts.

Restricted - This component of fund balance is used when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Assigned - This component of fund balance represents amounts that are constrained by the city's *intent* to be used for specific purposes.

Unassigned - This component of fund balance is the residual classification for the general fund.

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Position or Equity - Continued

10. Fund Equity - Continued

In the government-wide statements, fund equity is termed net position and reported as the following three components:

Invested in capital assets, net of related debt - This represents capital assets net of accumulated depreciation and reduced by any debt attributable to the acquisition or construction of the capital assets net of any unspent debt proceeds.

Restricted net position - This represents net position restricted by external groups, laws and regulations, or enabling legislation.

Unrestricted net position - This represents net position that does not meet the criteria of the above components of net position.

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

11. Utility User Rates

Water utility user rates currently in place were established by the Wisconsin Public Service Commission effective January 27, 2016. Sewer utility rates currently in place were approved by the city council effective January 1, 2014.

E. Accounting Changes

The Wisconsin Retirement System (WRS) adopted GASB Statement No. 82, Pension Issues, an amendment of GASB No. 67, No. 68, and No. 73 issued during the year ended December 31, 2015. Statement No. 82 addresses the presentation of payroll-related measures in the Required Supplementary Information, the selection of assumptions used in determining the total pension liability and related measures, and the classification of employer-paid member contributions.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position.

The city's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:

Deferred outflows of resources	\$ 2,834,270
Net pension liability	(508,485)
Deferred inflows of resources	(1,070,097)
Net adjustment	<u>\$ 1,255,688</u>

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements - Continued

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position - Continued

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$22,166,353 difference are as follows:

Bonds and notes payable	\$21,754,063
Accrued interest payable	107,937
Compensated absences payable	<u>304,353</u>
Net adjustment	<u>\$22,166,353</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The financial statements include a reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. One element of that reconciliation explains that “Long-term receivables not available are reported as revenue in the fund financial statements when collected or currently available, but are recognized as revenue when earned in the government-wide financial statements.” The details of these differences are as follows:

Notes receivable issued	\$ 51,701
Principal repayments received on and incentive forgiveness of notes receivable	(567,687)
Special assessments levied	7,099
Special assessments collected	<u>(33,745)</u>
Net adjustment made	<u>\$ (542,632)</u>

Note 3 - Stewardship, Compliance, and Accountability

A. Budgetary Information

The city reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budgeted revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditure. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances.

The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the city council. The 2016 general fund budget was not amended.

Note 3 - Stewardship, Compliance, and Accountability - Continued

B. Deficit Fund Equity

The following individual funds had deficit fund balances as of December 31, 2016.

	<u>Amount of Deficit</u>
Environmental TIF district capital projects fund	\$(1,842,069)
TIF No 5 capital projects fund	(160,729)
Infrastructure capital projects fund	(1,037,344)
Swimming pool capital projects fund	(61,915)
Facade grant capital projects fund	(5,844)

The deficit fund balance in the environmental TIF district capital projects funds will be eliminated in loan receivable repayments and tax increments. The deficit fund balance in the infrastructure and TIF No. 5 funds will be eliminated by future borrowing or general fund transfers. The deficit fund balance facade grant fund will be eliminated by future general fund transfers or property tax levies.

C. General Fund Nonspendable Fund Balances

The fund balance of the general fund at December 31, 2016 was nonspendable for the following:

Prepaid expenditures	<u>\$ 11,684</u>
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D. Utility Bond Covenant Compliance

The 2011 Waterworks System Revenue Refunding Bonds, Series 2011A require the maintenance of a bond reserve account in the amount of \$205,000. This account was properly funded at December 31, 2016 (see Note 1.D.4).

Resolutions for water and sewer revenue bonds also specify that a debt service fund be established for monthly deposits of principal and interest payments coming due. Monthly deposits to fund the calculated balances required at year end were not made; however, bond resolutions additionally stipulate that amounts transferred to the debt service fund be sufficient to pay principal and interest on bonds as the payments become due. All principal and interest payments on outstanding debt were made timely.

Note 4 - Detailed Notes on All Funds

A. Cash and Investments

The city's cash and investments at December 31, 2016 consisted of the following:

	Carrying Amount	Weighted Average to Maturity (Days)
Petty cash	\$ 1,158	N/A
Interest bearing checking and money market accounts	12,670,759	Demand
State local government investment pool	306,106	61
Certificates of deposit	1,160,493	458
Government agency securities	680,000	636
Total carrying amount	<u>\$ 14,818,516</u>	

The city addresses the following risks related to its cash and investments:

Credit Risk

The city has policies to minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in the policy resolution.
- The common council shall by resolution each year approve the public depositories within the city that are deemed appropriate for use under the state and federal law.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- Maintain balances with its banking financial institutions that do not exceed the combined amount FDIC insurance and State Deposit Guarantee Fund insurance, along with the amount of collateralized deposits per an agreement with its primary banking institution. However, deposits may temporarily exceed the insured and collateralized amounts during periods when property taxes are collected.

Interest Rate Risk

The city has policies to minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Custodial Risk

The city has policies to minimize custodial risk, which is the risk that in the event of a financial institution failure, the city's deposits may not be returned to it, by:

- Maintaining a list of financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services.
- All financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

Note 4 - Detailed Notes on All Funds - Continued

A. Cash and Investments - Continued

Total cash and investments above reconcile to the financial statements as follows:

Statement of net position:

Cash and investments	\$ 4,157,258
Restricted cash and investments	<u>2,278,734</u>

Total reported on statement of net position	6,435,992
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Statement of fiduciary net position	<u>8,382,524</u>
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Total Cash and Investments	<u>\$ 14,818,516</u>
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City cash and investments are insured by the FDIC for up to \$250,000 for time and savings deposits (including interest-bearing NOW accounts), and an additional \$250,000 of FDIC insurance is available for demand (non-interest bearing checking accounts) for each bank used. All city deposits are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses of the pool may not be significant to individual municipalities.

The Local Government Investment Pool (LGIP) is an investment fund managed by the State of Wisconsin Investment Board. The LGIP accepts deposits from governmental units within the State of Wisconsin. The objectives of the LGIP are to provide safety of principal, liquidity and a reasonable rate of return. The LGIP is regulated by the Wisconsin Statutes and is not a SEC registered investment. The yield of the LGIP changes daily and its participants may invest or withdraw any or all amounts at par value at any time. The LGIP balance reported in the financial statements as \$306,106 at December 31, 2016 is at cost basis. The fair value of the LGIP investment at December 31, 2016 did not materially differ from its cost basis. The LGIP had a weighted average maturity of 61 days at December 31, 2016.

For purposes of the statement of cash flows for the enterprise funds, cash equivalents are temporary cash investments with a maturity of three months or less at the date of purchase.

Fair Value Measurements of Investments

The city implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ending December 31, 2016. The village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and is described as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Significant inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Significant unobservable inputs for an asset or liability.

	Fair Value Measurements Using:			
	Level 1	Level 2	Level 3	Total
Investments:				
Government Agency Securities	<u>\$ 680,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 680,000</u>

Note 4 - Detailed Notes on All Funds - Continued

B. Receivables

Receivables as of yearend for the city's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectable accounts, are as follows:

	General	TIF No. 3 Debt Service	Environmental TIF	Water Utility	Sewer Utility	Nonmajor and Fiduciary Funds	Totals
Receivables:							
Taxes - current	\$ 5,312,285	\$ 4,023,219	\$ 42,692	\$ ---	\$ ---	\$ 3,073,150	\$ 12,451,346
Accounts and other	33,776	---	---	736,214	501,900	---	1,271,890
Special assessments	13,947	---	---	52,345	74,346	---	140,638
Notes	---	---	986,236	---	---	866,190	1,852,426
Net total receivables	<u>\$ 5,360,008</u>	<u>\$ 4,023,219</u>	<u>\$ 1,028,928</u>	<u>\$ 788,559</u>	<u>\$ 576,246</u>	<u>\$ 3,939,340</u>	<u>\$ 15,716,300</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available 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:

	Unavailable	Unearned
Property and other taxes receivable	\$ ---	\$ 10,310,522
Water utility property tax equivalent	---	480,913
Special assessments not yet due (general fund)	33,533	---
Notes and accounts receivable	1,879,193	---
Total deferred/unearned revenue for governmental funds	<u>\$ 1,912,726</u>	<u>\$ 10,791,435</u>

The city has issued notes receivable which are due for the following purposes:

Purpose	Date of Note	Interest Rate	Original Principal	Balance 12/31/16
Environmental TIF-Capital Projects	9/1/10	7.0%	1,160,000	\$ 986,236
Community Development Block Grant	7/6/10	2.0%	340,000	264,734
Community Development Block Grant	12/31/11	2.0%	400,000	176,000 *
Community Development Block Grant	7/2/13	0.0%	202,500	202,500 *
Community Development Block Grant	6/1/15	Varies	28,410	24,464
TIF No. 3 Revolving Loan	1/24/13	1.625%	150,000	146,791
TIF No. 3 Revolving Loan	7/01/16	1.75%	51,701 **	51,701
Total				<u>\$ 1,852,426</u>

* - Contains forgiveness provisions for full time employees added.

** - Total commitment is \$70,000, proceeds issued during 2016 was \$51,701.

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 20,147,482	\$ ---	\$ ---	\$ 20,147,482
Total capital assets, not being depreciated	20,147,482	---	---	20,147,482
Capital assets, being depreciated:				
Buildings and improvements	9,896,104	---	---	9,896,104
Land improvements and other structures	3,625,016	42,117	---	3,667,133
Machinery and equipment	7,342,288	267,331	(42,702)	7,566,917
Infrastructure	43,609,965	167,578	---	43,777,543
Total capital assets being depreciated	64,473,373	477,026	(42,702)	64,907,697
Less accumulated depreciation for:				
Buildings and other improvements	(3,894,669)	(378,701)	---	(4,273,370)
Machinery and equipment	(4,893,986)	(427,359)	27,967	(5,293,378)
Infrastructure	(20,861,677)	(1,027,587)	---	(21,889,264)
Total accumulated depreciation	(29,650,332)	(1,833,647)	27,967	(31,456,012)
Total capital assets, being depreciated, net	34,823,041	(1,356,621)	(14,735)	33,451,685
Governmental activities capital assets, net	\$ 54,970,523	\$ (1,356,621)	\$ (14,735)	\$ 53,599,167

Preliminary Draft - June 24th

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets - Continued

Business Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Water Utility				
Capital assets, not being depreciated:				
Land	\$ 260,027	\$ ---	\$ ---	\$ 260,027
Total capital assets, not being depreciated	<u>260,027</u>	<u>---</u>	<u>---</u>	<u>260,027</u>
Capital assets, being depreciated:				
Buildings and improvements	3,055,811	---	---	3,055,811
Machinery and equipment	3,314,928	67,202	(12,000)	3,370,130
Infrastructure	18,680,780	171,256	(41,896)	18,810,140
Total capital assets being depreciated	<u>25,051,519</u>	<u>238,458</u>	<u>(53,896)</u>	<u>25,236,081</u>
Less: accumulated depreciation:				
Buildings and improvements	(1,086,635)	(95,135)	---	(1,181,770)
Machinery and equipment	(1,425,839)	(191,764)	12,000	(1,605,603)
Infrastructure	(4,857,983)	(345,684)	41,896	(5,161,771)
Total accumulated depreciation	<u>(7,370,457)</u>	<u>(632,583)</u>	<u>53,896</u>	<u>(7,949,144)</u>
Total capital assets, being depreciated, net	<u>17,681,062</u>	<u>(394,125)</u>	<u>---</u>	<u>17,286,937</u>
Business-type activities capital assets, net	<u>\$ 17,941,089</u>	<u>\$ (394,125)</u>	<u>\$ ---</u>	<u>\$ 17,546,964</u>
Sewer Utility				
Capital assets, not being depreciated:				
Land	\$ 778,671	\$ ---	\$ ---	\$ 778,671
Total capital assets, not being depreciated	<u>778,671</u>	<u>---</u>	<u>---</u>	<u>778,671</u>
Capital assets, being depreciated:				
Buildings and system	27,156,174	---	---	27,156,174
Machinery and equipment	7,025,079	39,792	(39,959)	7,024,912
Infrastructure	16,005,896	---	---	16,005,896
Total capital assets being depreciated	<u>50,187,149</u>	<u>39,792</u>	<u>(39,959)</u>	<u>50,186,982</u>
Less: accumulated depreciation:				
Buildings and system	(12,901,099)	(1,046,249)	---	(13,947,348)
Machinery and equipment	(5,934,176)	(318,503)	33,972	(6,218,707)
Infrastructure	(4,642,750)	(320,118)	---	(4,962,868)
Total accumulated depreciation	<u>(23,478,025)</u>	<u>(1,684,870)</u>	<u>33,972</u>	<u>(25,128,923)</u>
Total capital assets, being depreciated, net	<u>26,709,124</u>	<u>(1,645,078)</u>	<u>(5,987)</u>	<u>25,058,059</u>
Business-type activities capital assets, net	<u>\$ 27,487,795</u>	<u>\$ (1,645,078)</u>	<u>\$ (5,987)</u>	<u>\$ 25,836,730</u>

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets - Continued

Business Type Activities - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Airport				
Capital assets, not being depreciated:				
Land	\$ 125,634	\$ ---	\$ ---	\$ 125,634
Total capital assets, not being depreciated	<u>125,634</u>	<u>---</u>	<u>---</u>	<u>125,634</u>
Capital assets, being depreciated:				
Buildings	627,810	---	---	627,810
Land improvements	2,054,267	---	---	2,054,267
Machinery and equipment	301,350	---	---	301,350
Total capital assets being depreciated	<u>2,983,427</u>	<u>---</u>	<u>---</u>	<u>2,983,427</u>
Less: accumulated depreciation:				
Buildings	(27,188)	(17,199)	---	(44,387)
Land improvements	(1,061,421)	(64,817)	---	(1,126,238)
Machinery and equipment	(270,016)	(14,692)	---	(284,708)
Total accumulated depreciation	<u>(1,358,625)</u>	<u>(96,708)</u>	<u>---</u>	<u>(1,455,333)</u>
Total capital assets, being depreciated, net	<u>1,624,802</u>	<u>(96,708)</u>	<u>---</u>	<u>1,528,094</u>
Business-type activities capital assets, net	<u>\$ 1,750,436</u>	<u>\$ (96,708)</u>	<u>\$ ---</u>	<u>\$ 1,653,728</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 40,275
Public safety	288,743
Highways and streets, including depreciation of general infrastructure assets	1,274,154
Culture and recreation	230,475
Total depreciation expense - governmental activities	<u>\$ 1,833,647</u>
Business-type activities:	
Water	\$ 611,526
Sewer	1,684,870
Airport	96,708
Total depreciation expense - business-type activities	<u>\$ 2,393,104</u>

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets - Continued

Discretely Presented Component Unit

Capital asset activity for the Housing Authority for the year ended August 31, 2015 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 87,236	\$ ---	\$ ---	\$ 87,236
Capital assets, being depreciated:				
Buildings and improvements	3,165,294	31,599	(940)	3,195,953
Furniture and equipment	652,559	272	---	652,831
Landscaping	137,904	---	---	137,904
Total capital assets being depreciated	3,955,757	31,871	(940)	3,986,688
Less: accumulated depreciation	(1,755,849)	(111,756)	940	(1,866,665)
Total capital assets being depreciated, net	2,199,908	(79,885)	---	2,120,023
Total Capital Assets	\$ 2,287,144	\$ (79,885)	\$ ---	\$ 2,207,259

Accumulated depreciation by capital asset category for the housing authority is not available.

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2016, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Water utility (tax equivalent)	\$ 480,913
General	Environmental TIF district	70,399
General	TIF No. 5	317,797
General	Swimming pool	61,915
General	Facade grant fund	5,844
		<u>\$ 936,868</u>

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Infrastructure capital projects	\$ 1,424,252
TIF No. 3 debt service	Environmental TIF district	1,771,462
		<u>\$ 3,195,714</u>

The advance by the TIF No. 3 debt service fund to the environmental TIF fund will be paid through tax increment sharing established by city resolution. The city is establishing a five-year financing plan that is expected to include settling the general fund advance to the infrastructure fund by a combination of budgetary allotments and borrowed money. The advances by the general fund and the water and sewer utilities will be repaid by revenue being generated from rates presently in place and from additional revenue from future rate increases.

Note 4 - Detailed Notes on All Funds - Continued

D. Interfund Receivables, Payables and Transfers - Continued

Interfund Transfers:	Transfers In						Totals
	General	TIF No. 3 Revolving Loan	Park Development	Debt Service	Storm Water Management	Facade Grants	
Transfers Out:							
General fund	\$ ---	\$ 158,914	\$ 25,000	\$ 123,582	\$ 127,826	\$ 20,000	\$ 455,322
TIF No. 3 loan fund	29,295	---	---	---	---	---	29,295
Airport	25,000	---	---	---	---	---	25,000
Totals	\$ 54,295	\$ 158,914	\$ 25,000	\$ 123,582	\$ 127,826	\$ 20,000	\$ 509,617

E. Long-Term Obligations

Outstanding debt and other long-term obligations of the city at December 31, 2016 follows:

Issue	Interest Rate(s)	Original Principal	Outstanding Principal At 12/31/16		Purpose
			General	Proprietary	
General obligation debt:					
2007 refunding bonds	4.1%-4.375%	1,500,000	\$ 1,500,000	\$ ---	Infrastructure
2011 refunding bonds	2.0%-3.0%	9,120,000	3,960,000	---	TIF 3 - riverfront
2012A street bonds	2.0%-2.8%	3,155,000	3,055,000	---	Infrastructure
2012B refunding bonds	2.0%-3.0%	1,460,000	710,000	---	Pension, ER TIF, various
2014A refunding bonds	0.4%-3.2%	6,200,000	3,720,000	1,535,000	TIF 3, ERTIF, water, sewer
2015A refunding bonds	2.0%-3.0%	4,215,000	2,815,000	---	TIF 3
2015B promissory notes	0.7%-2.25%	4,500,000	4,500,000	---	TIF 5
2015 bank note	2.25%-3.25%	300,000	300,000	---	TIF 5
Total bonds and notes			20,560,000	1,535,000	
Other long-term obligations:					
Developer revenue agreement	0%	2,000,000	113,866	---	TIF no. 3
2013 energy lease purchase	2.698%	1,147,507	1,020,588	---	Energy conservation
2013 equipment lease purchase	2.15%	342,149	---	141,241	Sewer vacor
2014 equipment lease purchase	2.581%	147,220	59,609	---	DPW chipper truck
Compensated absences (Note 5B.)			304,353	81,640	
Total other long-term obligations			1,498,416	222,881	
Utility revenue debt:					
2008 CWF bonds (1)	2.569%	4,465,837	---	2,971,113	Sewer
2008 CWF bonds (2)	2.365%	926,948	---	586,047	Sewer
2011 refunding bonds	2.0%-3.5%	2,050,000	---	1,235,000	Water
2012 CWF bonds	2.625%	7,439,911	---	6,501,562	Sewer
2012 CWF water bonds	2.2%	2,044,276	---	1,633,564	Water
Total utility revenue debt			---	12,927,286	
Total Long-Term Obligations			\$22,058,416	\$14,685,167	

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

A. General obligation debt

Annual debt service requirements to maturity of general obligation debt are as follows:

Year Ended December 31,	General City Long-Term Debt		Proprietary Fund Long-Term Debt		Totals
	Principal	Interest	Principal	Interest	
2017	\$ 3,725,000	\$ 440,498	\$ 65,000	\$ 35,926	\$ 4,266,424
2018	3,620,000	373,772	60,000	35,398	4,089,170
2019	2,375,000	312,007	65,000	34,691	2,786,698
2020	2,605,000	253,502	65,000	33,798	2,957,300
2021	1,395,000	206,133	100,000	32,459	1,733,592
2022-2026	3,880,000	659,415	590,000	127,324	5,256,739
2027-2031	2,560,000	227,313	590,000	37,505	3,414,818
2032	400,000	5,600	---	--	405,600
	<u>\$ 20,560,000</u>	<u>\$ 2,478,240</u>	<u>\$ 1,535,000</u>	<u>\$ 337,101</u>	<u>\$ 24,910,341</u>

General city and proprietary fund indebtedness represented by general obligation notes totaled \$22,095,000 on December 31, 2016. The city's full faith and credit back these general obligation notes. Transactions for 2016 are summarized as follows:

Balance - January 1, 2016	\$ 25,725,000
Proceeds from bonds and notes	---
Principal reductions	<u>(3,630,000)</u>
Balance - December 31, 2016	<u>\$ 22,095,000</u>

B. Tax increment project revenue bonds

Tax increment indebtedness represented by the revenue bonds totaled \$113,865 on December 31, 2016. These bonds were issued for the various developer and construction incentive agreements. The repayments are based on a tax incremental formula and the balance is expected to be paid in full during 2017. Transactions for 2016 are summarized as follows:

Balance - January 1, 2016	\$ 401,928
Principal reductions	<u>(288,062)</u>
Balance - December 31, 2016	<u>\$ 113,866</u>

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

C. Utility revenue debt

Annual debt service requirements to maturity of utility revenue debt are as follows:

Year Ended December 31,	Principal	Interest	Totals
2017	\$ 877,109	\$ 324,590	\$ 1,201,699
2018	899,507	301,196	1,200,703
2019	922,348	277,205	1,199,553
2020	950,640	252,320	1,202,960
2021	974,397	226,363	1,200,760
2022 - 2026	4,320,469	776,091	5,096,560
2027 - 2031	3,492,808	265,290	3,758,098
2032	490,008	6,423	496,431
Totals	<u>\$ 12,927,286</u>	<u>\$ 2,429,478</u>	<u>\$ 15,356,764</u>

Proprietary fund indebtedness represented by revenue bonds totaled \$12,927,286 on December 31, 2016. The debt is pledged by the assets and revenues of the utilities. The city's full faith and credit do not back these revenue bonds. Transactions for 2016 are summarized as follows:

Balance - January 1, 2016	\$ 13,782,428
Principal reductions	<u>(855,142)</u>
Balance - December 31, 2016	<u>\$ 12,927,286</u>

D. Lease purchase agreements

Annual debt service requirements to maturity of lease purchase agreements are as follows:

Year Ended December 31,	Principal	Interest	Totals
2017	\$ 165,699	\$ 31,487	\$ 197,186
2018	169,776	27,410	197,186
2019	70,082	23,234	93,316
2020	71,997	21,319	93,316
2021	73,964	19,352	93,316
2022 - 2026	401,252	65,328	466,580
2027 - 2029	268,669	11,922	280,591
Totals	<u>\$ 1,221,439</u>	<u>\$ 200,052</u>	<u>\$ 1,421,491</u>

Lease purchase agreement balances total \$1,221,438 on December 31, 2016. The debt is pledged by the assets acquired, the city's full faith and credit do not back the agreements. Transactions for 2016 are summarized as follows:

Balance - January 1, 2016	\$ 1,382,626
Principal reductions	<u>(161,188)</u>
Balance - December 31, 2016	<u>\$ 1,221,438</u>

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

E. Margin of indebtedness

The Wisconsin Statutes restrict the city's general obligation debt to 5% of the equalized value of all property in the city. This amount is compared below with the outstanding debt on December 31, 2016:

Equalized Value - 2016	<u>\$ 858,346,500</u>
Margin of Indebtedness:	
5% of Equalized Value	\$ 42,917,325
Outstanding General Obligation Debt - December 31, 2016	<u>22,095,000</u>
Margin of Indebtedness	<u>\$ 20,822,325</u>

F. Industrial development revenue bonds

The city issued industrial development revenue bonds during 1998 and 2008 for the benefit of private entities. The bonds outstanding as of December 31, 2016 totaled \$1,855,000 and \$2,257,500 for the 1998 and 2008 bonds, respectively. The city has no liability for repayment of these bonds and, consequently, they are not included in the financial statements.

Note 5 - Other Information

A. Risk Management

The city has purchased commercial insurance policies for various risks of loss related to litigation, theft, damage or destruction of assets, errors or omissions, injuries to employees, or acts of God. Payments of premiums for these policies are recorded as expenditures or expenses in the various funds of the city.

The city is also exposed to various risks of loss related to medical claims. The city's risk management fund (an internal service fund) is used to account for and finance its uninsured health risks of loss. Under this program the risk management fund provides coverage for up to a maximum of \$25,000 for each individual's total claims with group claims limited to 125% of expected claims. The city purchases commercial insurance for health claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial insurance coverage since inception of the fund.

All funds of the city participate in the health program and are charged amounts needed to pay prior and current year claims and to establish a reserve for future insurance costs. That reserve had a deficit balance of \$118,758 at December 31, 2016 and is reported as the internal service fund net position. The deficit balance is expected to be eliminated by future year interdepartmental charges. The accounts payable of \$88,945 reported in the fund at December 31, 2016 is based on the amount of the loss that can be reasonably estimated at year end. Changes in the fund's reported liability amount for the years ended December 31, 2016 and 2015 follows:

Year	Beginning Of Year Liability	Incurred Claims	Claim Payments	End of Year Liability
2016	\$ 98,778	\$ 1,692,207	\$ 1,702,040	\$ 88,945
2015	84,143	1,374,233	1,359,598	98,778

Note 5 - Other Information - Continued

B. Compensated Absences

City employees earn vacation time in varying amounts and it must generally be taken by the employee's anniversary date according to city policy. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the statement of net position.

Management has determined that there was no accumulated vacation time and sick leave at year end to be liquidated with expendable available resources. The amount of accumulated vacation time at December 31, 2016 that has been recorded in the governmental activities of the statement of net position is \$142,637.

Employees may accumulate sick leave to a maximum number of days ranging from 150 to 252. It is the city's policy to pay for unused sick leave upon retirement or death at a rate of \$25 per day or apply it to future retiree health insurance premiums at a rate of \$50 per day. Eligible accumulated sick days of employees totaled approximately 3,355 at December 31, 2016. The city determined its liability for accumulated sick pay benefits payable based on the option of applying \$50 per day toward health insurance premiums. At December 31, 2016, estimated sick leave termination benefits of \$161,716 have been recorded in the governmental activities of the statement of net position.

Accumulated vacation and sick pay benefits for employees of the city's proprietary funds are recorded as a liability directly in those funds as they are earned by the employees. An additional \$42,994 and \$38,646 of accumulated vacation and sick pay, respectively, has been recorded as a liability in the proprietary funds.

C. WRS Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

Note 5 - Other Information - Continued

C. WRS Pension - Continued

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2

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

During the reporting period, the WRS recognized \$346,167 in contributions from the employer.

Contribution rates as of December 31, 2016 are:

Employee Category	Employee	Employer
General (including teachers)	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.49%
Protective without Social Security	6.6%	13.29%

Note 5 - Other Information - Continued

C. WRS Pension - Continued

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

At December 31, 2016, the City of Burlington reported a liability of \$605,052 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City of Burlington's proportion of the net pension liability (asset) was based on the City of Burlington's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the City of Burlington's proportion was 0.03723434%, which was a decrease of 0.00086191% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City of Burlington recognized pension expense of \$734,417.

At December 31, 2016, the City of Burlington reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$102,357	\$(1,273,319)
Changes in assumptions	\$423,320	\$0
Net differences between projected and actual earnings on pension plan investments	\$2,477,251	\$0
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$19,686	\$0
Employer contributions subsequent to the measurement date	\$349,886	\$0
Total	\$3,372,500	\$(1,273,319)

Note 5 - Other Information - Continued

C. WRS Pension Plan - Continued

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

\$349,886 reported as deferred outflows related to pension resulting from the City of Burlington's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended August 31:	Deferred Outflow of Resources	Deferred Inflows of Resources
2016	\$784,618	\$(308,146)
2017	\$784,618	\$(308,146)
2018	\$784,619	\$(308,145)
2019	\$654,692	\$(308,145)
Thereafter	\$14,067	\$(40,737)

Actuarial assumptions. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 - 2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

Note 5 - Other Information - Continued

C. WRS Pension Plan - Continued

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

Retirement Funds								
Asset Allocation Targets and Expected Returns								
As of December 31, 2015								
<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>		<u>Destination Target Asset Allocation %</u>		<u>Long-Term Expected Nominal Rate of Return %</u>		<u>Long-Term Expected Real Rate of Return %</u>	
U.S. Equities	27	%	23	%	7.6	%	4.7	%
International Equities	24.5		22		8.5		5.6	
Fixed Income	27.5		37		4.4		1.6	
Inflation Sensitive Assets	10		20		4.2		1.4	
Real Estate	7		7		6.5		3.6	
Private Equity/Debt	7		7		9.4		6.5	
Multi-Asset	4		4		6.7		3.8	
Total Core Fund	107	%	120	%	7.4	%	4.5	%
<u>Variable Fund Asset Class</u>	<u>Current Asset Allocation %</u>		<u>Destination Target Asset Allocation %</u>		<u>Long-Term Expected Nominal Rate of Return %</u>		<u>Long-Term Expected Real Rate of Return %</u>	
U.S. Equities	70	%	70	%	7.6	%	4.7	%
International Equities	30		30		8.5		5.6	
Total Variable Fund	100	%	100	%	7.9	%	5.0	%
<p>New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75% Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations</p>								

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

Note 5 - Other Information - Continued

C. WRS Pension Plan - Continued

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
Proportionate share of the net pension liability (asset)	\$4,243,838	\$605,052	(\$2,236,907)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payable to the WRS. At December 31, 2016 the city reported a payable of \$75,313 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2016.

D. Tax Incremental Financing Districts

The city has established tax incremental financing (TIF) district no. 3 pursuant to a law enacted to provide a process by which local units of government could finance public works or improvements in blighted areas from taxes levied by county, city, schools and other local jurisdictions based on the increase in property values within a designated geographic area. When a tax incremental district is established, the state determines the aggregate value of taxable property located within the district (the base value). Taxes derived from levies by all local jurisdictions on property values exceeding the base value determined by the state are allocated to the city for financing improvements within the district.

During November 2014, the city adopted a resolution amending Tax Incremental District No. 3 to allow for the sharing of revenues with Tax Incremental E.R. District No. 1 for a five year period as provided for in section 66.1105(6) of the Wisconsin statutes. Positive tax increments in excess of District No. 3's (the donor) project costs are to be allocated to E. R. District No. 1 (the recipient) beginning in 2016.

Summary information on TIF district no. 3 follows:

Date of creation	9/29/1992
End of statutory construction period	9/29/2014
Maximum statutory life of district	9/29/2019

Note 5 - Other Information - Continued

D. Tax Incremental Financing Districts - Continued

The following summarizes the transactions to date of TIF district no. 3.

	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 223,063	\$ 61,107,523
<u>Project Revenues</u>		
Tax increments received	3,943,300	52,070,354
Intergovernmental revenues	17,743	748,033
Special assessments/property sales	---	231,751
Rental income	---	2,794
Investment income	9,901	2,310,454
City contribution for Wehmhoff Park	-	60,000
Increment allocations from TIF district no. 4	---	2,009,000
Premium on bonds issued	---	69,151
All other	---	3,000
Total project revenues	<u>3,970,944</u>	<u>57,504,537</u>
Net Costs Recoverable (Recovered)	<u>\$ (3,747,881)</u>	<u>\$ 3,602,986</u>

The recovery of the above costs is subject to sufficient increments being generated in the district before the end of its life. The above costs have been primarily financed by the issuance of general obligation and lease revenue bonds and notes.

The city created an environmental remediation tax incremental financing district in 2009 pursuant to the Wisconsin Statutes. The following summarizes the transactions to date of the environmental remediation tax incremental financing district.

	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 50,861	\$ 5,304,313
<u>Project Revenues</u>		
Tax increments received	39,831	232,326
Intergovernmental revenues	62	332,276
Interest earned on note receivable	51,202	455,592
Loan repayments	<u>44,918</u>	<u>172,049</u>
Total project revenues	<u>136,013</u>	<u>1,192,243</u>
Net Costs Recoverable (Recovered)	<u>\$ (85,152)</u>	<u>\$ 4,112,070</u>

Note 5 - Other Information - Continued

D. Tax Incremental Financing Districts - Continued

The tax incremental financing district no. 5 was created under the provisions of Wisconsin Statute Section 66.1105 as a "Mixed Use District". The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area that the property taxes generated on the increased value of property after the creation date of the district. That tax on the increased value is referred to as a tax increment.

Summary information on TIF district no. 5 follows:

<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
December 2, 2014	October 1, 2016	October 1, 2022

The following summarizes the transactions to date of TIF district no. 5.

	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	<u>\$ 311,868</u>	<u>\$ 5,077,896</u>
<u>Project Revenues</u>		
Developer reimbursements	---	113,622
Investment income	<u>1,082</u>	<u>3,545</u>
Total project revenues	<u>1,082</u>	<u>117,167</u>
Net Costs Recoverable	<u>\$ 310,786</u>	<u>\$ 4,960,729</u>

E. Litigation and Contingencies

In the opinion of management and the city's legal counsel, the city is involved in no claims or lawsuits that would have a material effect on the financial statements in the event of an unfavorable outcome.

F. Subsequent Events

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through June 28, 2016, the date the financial statements were available to be issued; and concluded the following matter required disclosure:

Disclose Flood Info

G. Housing Authority Component Unit

The Housing Authority of the City of Burlington is a component unit of the city. The fiscal year end of the housing authority is August 31, 2016. The following is a summary of significant disclosures of the housing authority.

1. Summary of significant accounting policies

The housing authority was formed under the applicable sections of the Wisconsin Statutes to provide an economically designed and constructed low-rent housing facility for senior citizens in the City of Burlington. The housing authority is governed by a five-member board of commissioners appointed by the city's mayor.

The housing authority uses the accrual basis of accounting.

Property and equipment are stated at cost. Depreciation is provided on the straight line method over the estimated useful lives of the assets.

2. Cash and investments

The housing authority's cash and investments consist of deposits at local banks. At August 31, 2016, the housing authority's deposits totaled \$354,777. The carrying value of those deposits on the housing authority's financial statements was \$345,511. All of the housing authority's deposits at August 31, 2016 were covered by FDIC insurance.

3. Restricted cash

The housing authority is required to maintain separate restricted accounts for debt service, security deposits, and capital improvements and replacements. Restricted cash at August 31, 2016 consisted of the following:

Reserve account	\$ 237,189
Security deposits	<u>34,028</u>
Totals	<u>\$ 271,217</u>

Note 5 - Other Information - Continued

G. Housing Authority - Continued

4. Long-term debt

The Housing Authority's long-term debt as of August 31, 2016 consisted of the following:

1977 USDA Rural Development loan. This loan was reamortized on July 1, 2014 at a stated interest rate of 3.625%, however, a Rural Development interest subsidy reduces the rate paid to 1%. The loan has been deferred for 20 years and will be due for refinancing on July 1, 2034. \$ 426,546

1984 USDA Rural Development loan. This loan was reamortized on July 1, 2014 at a stated interest rate of 3.625%, however, a Rural Development interest subsidy reduces the rate paid to 1%. The loan has been deferred for 20 years and will be due for refinancing on July 1, 2034. 337,206

2014 USDA Rural Development loan. This loan was authorized on July 10, 2014 for \$1,475,978 with principal payments to commence in September 2015. Interest in not charged on the loan. Monthly principal payments for the loan will be \$2,464 based on a 50 year amortization. 1,446,409

Total notes payable	2,210,161
Add: net pension liability	5,371
Less: current maturities	<u>(29,568)</u>
Total long-term debt	<u>\$ 2,185,964</u>

Interest payments of the scheduled payments below are reported at the subsidized rate of 1%.

Annual principal and interest payments to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 29,568	\$ ---	\$ 29,568
2018	29,568	---	29,568
2019	29,568	---	29,568
2020	29,568	---	29,568
2021	29,568	---	29,568
2022 - 2026	147,840	---	147,840
2027 - 2031	147,840	---	147,840
2032 - 2036 *	911,592	148,325	1,059,917
2037 - 2041	147,840	---	147,840
2042 - 2046	147,840	---	147,840
2047 - 2051	147,840	---	147,840
2052 - 2056	147,840	---	147,840
2057 - 2061	147,840	---	147,840
2062 - 2065	<u>115,849</u>	<u>---</u>	<u>115,849</u>
Total notes payable - August 31, 2016	<u>\$ 2,210,161</u>	<u>\$ 148,325</u>	<u>2,358,486</u>

* - The 1977 and 1984 USDA Rural Development loans are due for refinancing on July 1, 2034 including accrued interest of \$148,325.

REQUIRED SUPPLEMENTARY INFORMATION

Preliminary Draft at July 24, 2013

Schedules of Required Supplementary Information

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System

	2015
Proportion of the net pension asset (liability)	(0.03723434)%
Proportionate share of the net pension asset (liability)	\$(605,052)
Covered-employee payroll	\$4,234,746
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.2%

	2014
Proportion of the net pension asset	0.03809625%
Proportionate share of the net pension asset	\$935,748
Covered-employee payroll	\$4,351,295
Plan fiduciary net position as a percentage of the total pension asset	102.74%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

SCHEDULE OF CONTRIBUTIONS
Wisconsin Retirement System

	2015
Contractually required contributions	\$346,167
Contributions in relation to the contractually required contributions	\$346,167
Contribution deficiency (excess)	\$0
Covered-employee payroll	\$4,234,746
Contributions as a percentage of covered-employee payroll	8.17%

	2014
Contractually required contributions	\$369,564
Contributions in relation to the contractually required contributions	\$369,564
Contribution deficiency (excess)	\$0
Covered-employee payroll	\$4,351,295
Contributions as a percentage of covered-employee payroll	8.49%

Notes to Required Supplementary Information
for the Year Ended December 31, 2016

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. There were no changes in the assumptions.

SUPPLEMENTARY INFORMATION

Preliminary Draft at July 24th

Preliminary Draft at July 24th

A two-page combining balance
sheet follows.

CITY OF BURLINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

Special Revenue Funds

	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police Donations	Wehmhoff
<u>Assets</u>							
Cash and investments	\$ 129,774	\$ 75,512	\$ -	\$ 134,381	\$ 106,972	\$ 20,281	\$ 54,774
Taxes receivable	405,500	-	-	-	-	-	-
Prepaid expenditures	-	-	-	1,264	-	-	-
Notes receivable	-	667,698	198,492	-	-	-	-
Total Assets	535,274	743,210	198,492	135,645	106,972	20,281	54,774
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>							
<u>Liabilities:</u>							
Accounts payable	17,180	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Total liabilities	17,180	-	-	-	-	-	-
<u>Deferred Inflows of Resources:</u>							
Deferred revenue	405,500	667,698	198,492	-	-	-	-
<u>Fund Balances</u>							
Permanent				-	-	-	50,000
Assigned	112,594	75,512	-	135,645	106,972	20,281	4,774
Total Fund Balances	112,594	75,512	-	135,645	106,972	20,281	54,774
Total Liabilities and Fund Balances	\$ 535,274	\$ 743,210	\$ 198,492	\$ 135,645	\$ 106,972	\$ 20,281	\$ 54,774

Preliminary Draft at July 24th

Capital Projects Funds

General Debt Service Fund	Revolving Capital Projects	Infrastructure	Storm Water Management	Swimming Pool	Facade Grants	Total Nonmajor Funds
\$ -	\$1,567,177	\$ 393,946	\$ 32,234	\$ -	\$ -	\$ 2,515,051
406,157	-	-	-	-	-	811,657
-	8,420	-	-	-	-	9,684
-	-	-	-	-	-	866,190
<u>406,157</u>	<u>1,575,597</u>	<u>393,946</u>	<u>32,234</u>	<u>-</u>	<u>-</u>	<u>4,202,582</u>
-	13,843	7,038	32,234	-	-	70,295
-	-	-	-	61,915	5,844	67,759
-	-	1,424,252	-	-	-	1,424,252
<u>-</u>	<u>13,843</u>	<u>1,431,290</u>	<u>32,234</u>	<u>61,915</u>	<u>5,844</u>	<u>1,562,306</u>
<u>406,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,677,847</u>
-	-	-	-	-	-	50,000
-	1,561,754	(1,037,344)	-	(61,915)	(5,844)	912,429
-	1,561,754	(1,037,344)	-	(61,915)	(5,844)	962,429
<u>\$ 406,157</u>	<u>\$1,575,597</u>	<u>\$ 393,946</u>	<u>\$ 32,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,202,582</u>

Preliminary Draft at July 24th

Preliminary Draft at July 24th

A two-page combining statement of revenues, expenditures and changes in fund balances follows.

CITY BURLINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Special Revenue Funds						
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police Donations	Wehmhoff
Revenues							
Taxes	\$ 405,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	283,246	-	-	10	-	-	-
Charges for services	20,733	-	-	-	-	-	-
Investment income	648	6,385	2,471	-	417	-	4,277
Repayment of note receivable principal	-	19,126	11,438	-	-	-	-
All other	23,842	-	-	86,519	14,918	12,874	-
Total Revenues	733,969	25,511	13,909	86,529	15,335	12,874	4,277
Expenditures							
Public safety	-	-	-	-	-	4,143	-
Public works	-	-	-	-	-	-	-
Culture, recreation & education	677,910	-	-	-	33,604	-	-
Conservation and development	-	4,028	51,701	-	-	-	-
Capital outlay	-	-	-	2,250	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	677,910	4,028	51,701	2,250	33,604	4,143	-
Excess (deficiency) of revenues over (under) expenditures	56,059	21,483	(37,792)	84,279	(18,269)	8,731	4,277
Other Financing Sources (Uses)							
Transfers in	-	-	158,914	25,000	-	-	-
Transfers out	-	-	(29,295)	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total Other Financing Sources	-	-	129,619	25,000	-	-	-
Net change in fund balances	56,059	21,483	91,827	109,279	(18,269)	8,731	4,277
Fund balances - beginning	56,535	54,029	(91,827)	26,366	125,241	11,550	50,497
Fund balances - ending	\$ 112,594	\$ 75,512	\$ -	\$ 135,645	\$ 106,972	\$ 20,281	\$ 54,774

Preliminary Draft at July 24th

Capital Projects Funds

General Debt Service Fund	Revolving Capital Projects	Infrastructure	Storm Water Management	Swimming Pool	Facade Grants	Total Nonmajor Funds
\$ 406,157	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 1,211,657
-	-	-	-	-	-	283,256
-	-	-	-	-	-	20,733
697	7,656	36,254	-	-	86	58,891
-	-	-	-	-	-	30,564
-	-	-	-	4,000	-	142,153
<u>406,854</u>	<u>407,656</u>	<u>36,254</u>	<u>-</u>	<u>4,000</u>	<u>86</u>	<u>1,747,254</u>
-	-	-	-	-	-	4,143
-	-	10,991	-	-	-	10,991
-	-	-	-	-	-	711,514
-	-	-	117,123	-	16,975	189,827
-	330,657	-	-	65,915	-	398,822
317,787	-	-	-	-	-	317,787
212,649	-	-	-	-	-	212,649
<u>530,436</u>	<u>330,657</u>	<u>10,991</u>	<u>117,123</u>	<u>65,915</u>	<u>16,975</u>	<u>1,845,733</u>
<u>(123,582)</u>	<u>76,999</u>	<u>25,263</u>	<u>(117,123)</u>	<u>(61,915)</u>	<u>(16,889)</u>	<u>(98,479)</u>
123,582	-	-	127,826	-	20,000	455,322
-	-	-	-	-	-	(29,295)
-	2,850	-	-	-	-	2,850
<u>123,582</u>	<u>2,850</u>	<u>-</u>	<u>127,826</u>	<u>-</u>	<u>20,000</u>	<u>428,877</u>
-	79,849	25,263	10,703	(61,915)	3,111	330,398
-	1,481,905	(1,062,607)	(10,703)	-	(8,955)	632,031
<u>\$ -</u>	<u>\$ 1,561,754</u>	<u>\$(1,037,344)</u>	<u>\$ -</u>	<u>\$ (61,915)</u>	<u>\$ (5,844)</u>	<u>\$ 962,429</u>

Preliminary Draft at July 24th

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Taxes</u>			
General property taxes	\$ 4,820,140	\$ 4,817,528	\$ (2,612)
Payments in lieu of taxes	35,000	34,232	(768)
Room tax	105,000	120,888	15,888
Interest on personal property taxes	150	263	113
Total Taxes	<u>4,960,290</u>	<u>4,972,911</u>	<u>12,621</u>
<u>Intergovernmental</u>			
Shared taxes from state	671,003	674,617	3,614
Exempt computer aid	17,534	34,530	16,996
Fire insurance from state	36,000	36,215	215
Municipal services	1,787	1,775	(12)
General transportation aid	602,933	602,638	(295)
Connecting streets	2,832	2,803	(29)
Recycling grants	24,000	28,643	4,643
Clean sweep grant	13,000	18,765	5,765
State aid for police training	-	3,958	3,958
Safety aid	2,500	-	(2,500)
Forestry grant	-	25,383	25,383
DNR aid in lieu of tax	681	668	(13)
Total Intergovernmental	<u>1,372,270</u>	<u>1,429,995</u>	<u>57,725</u>
<u>Licenses and Permits</u>			
Business and occupational licenses	36,380	36,852	472
Weights and measures	7,400	7,040	(360)
Wisconsin cable TV licenses	135,000	131,538	(3,462)
Parking permits	700	200	(500)
Cell tower permit	57,000	56,851	(149)
Building and electrical permits	135,000	257,498	122,498
Right of way and zoning permits	11,000	9,020	(1,980)
Total Licenses and Permits	<u>382,480</u>	<u>498,999</u>	<u>116,519</u>
<u>Fines and Forfeitures</u>			
Court penalty costs	135,000	128,059	(6,941)
Parking violations	60,000	53,142	(6,858)
Total Fines and Forfeitures	<u>\$ 195,000</u>	<u>\$ 181,201</u>	<u>\$ (13,799)</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Charges for Services</u>			
Clerk's revenue	\$ 6,000	\$ 8,047	\$ 2,047
Police department	5,500	14,057	8,557
Fire department	12,500	38,990	26,490
Street department	10,000	7,224	(2,776)
Zoning and developer fees	50,000	26,227	(23,773)
Parks fees	17,000	7,838	(9,162)
Total Charges for Services	<u>101,000</u>	<u>102,383</u>	<u>1,383</u>
<u>Special Assessments</u>			
Sidewalks and all other	<u>25,000</u>	<u>33,745</u>	<u>8,745</u>
<u>Interest</u>			
Investment earnings	10,000	(2,911)	(12,911)
Interest on special assessments	2,500	954	(1,546)
Total interest	<u>12,500</u>	<u>(1,957)</u>	<u>(14,457)</u>
<u>Other</u>			
Lease of city property	16,000	-	(16,000)
Insurance recoveries	10,000	17,980	7,980
Police donations	-	516	516
All other	2,600	2,712	112
Total Other	<u>28,600</u>	<u>21,208</u>	<u>(7,392)</u>
Total Revenues	<u>\$ 7,077,140</u>	<u>\$ 7,238,485</u>	<u>\$ 161,345</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>General Government</u>			
Mayor and city council	\$ 108,650	\$ 98,263	\$ 10,387
Municipal court	58,911	77,334	(18,423)
Administration	335,002	376,070	(41,068)
Finance - treasurer	198,894	194,892	4,002
City clerk	52,861	47,298	5,563
Elections	37,400	33,751	3,649
Assessor and board of review	50,700	49,118	1,582
City attorney	95,000	151,749	(56,749)
Total General Government	<u>937,418</u>	<u>1,028,475</u>	<u>(91,057)</u>
<u>Public Safety</u>			
Police department	2,790,059	2,749,767	40,292
Fire department	746,849	725,570	21,279
Building inspector	132,278	117,574	14,704
Total Public Safety	<u>3,669,186</u>	<u>3,592,911</u>	<u>76,275</u>
<u>Public Works</u>			
Street administration and maintenance	1,123,343	1,064,645	58,698
Street lighting	260,000	268,744	(8,744)
Sidewalks, curb and gutters	33,000	50,288	(17,288)
Storm sewers	6,500	2,682	3,818
Parking structure	11,500	22,409	(10,909)
Garbage collection	363,272	375,284	(12,012)
Recycling	103,360	102,920	440
Landfill	25,000	29,988	(4,988)
Clean sweep	22,000	25,997	(3,997)
Total Public Works	<u>1,947,975</u>	<u>1,942,957</u>	<u>5,018</u>
<u>Health and Human Services</u>			
Health officer	74,617	74,617	-
Cemetery	-	8	(8)
Animal shelter	6,300	9,582	(3,282)
Total Health and Human Services	<u>\$ 80,917</u>	<u>\$ 84,207</u>	<u>\$ (3,290)</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Culture, Recreation and Education</u>			
Historical society	\$ 1,000	\$ 1,000	\$ -
Senior citizens	2,500	2,517	(17)
Celebrations and festivals	-	12,200	(12,200)
Parks and forestry	671,717	530,924	140,793
Total Culture, Recreation and Education	675,217	546,641	128,576
<u>Conservation and Development</u>			
Economic development	75,000	146,306	(71,306)
Plan commission	88,300	56,470	31,830
Town annexation revenue sharing	32,960	22,367	10,593
Total Conservation and Development	196,260	225,143	(28,883)
Total Expenditures	<u>\$7,506,973</u>	<u>\$ 7,420,334</u>	<u>\$ 86,639</u>

Preliminary Draft at July 24th

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

The following is a summary of the bonds and notes payable of the city as of December 31, 2016.

<u>General Obligation Debt</u>	Original Principal	Outstanding Principal 12/31/2016
2007 refunding bonds	\$ 1,500,000	\$ 1,500,000
2011 refunding bonds	9,120,000	3,960,000
2012 street bonds	3,155,000	3,055,000
2012 refunding bonds	1,460,000	710,000
2014A refunding bonds	6,200,000	5,255,000
2015A refunding bonds	4,215,000	2,815,000
2015B promissory notes	4,500,000	4,500,000
2015 Fox River Bank loan	300,000	300,000
		\$ 22,095,000

2007 General Obligation Refunding Bonds

The proceeds from this issue were used to refund a short-term note and to finance various infrastructure improvements. Interest is charged at rates of 4.10% to 4.375%.

	Principal	Interest	Total
April 1, 2017	\$ 100,000	\$ 31,988	\$ 131,988
October 1, 2017	-	29,800	29,800
April 1, 2018	110,000	29,800	139,800
October 1, 2018	-	27,545	27,545
April 1, 2019	120,000	27,545	147,545
October 1, 2019	-	25,055	25,055
April 1, 2020	130,000	25,055	155,055
October 1, 2020	-	22,325	22,325
April 1, 2021	140,000	22,325	162,325
October 1, 2021	-	19,350	19,350
April 1, 2022	150,000	19,350	169,350
October 1, 2022	-	16,162	16,162
April 1, 2023	150,000	16,162	166,162
October 1, 2023	-	12,975	12,975
April 1, 2024	150,000	12,975	162,975
October 1, 2024	-	9,750	9,750
April 1, 2025	150,000	9,750	159,750
October 1, 2025	-	6,525	6,525
April 1, 2026	150,000	6,525	156,525
October 1, 2026	-	3,262	3,262
April 1, 2027	150,000	3,262	153,262
	\$ 1,500,000	\$ 377,486	\$ 1,877,486

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

2011 General Obligation Refunding Bonds

The proceeds from this issue were used to refund 2001 bonds issued for TIF No. 3 purposes
Interest is charged at rates of 2.0% to 3.0%.

	Principal	Interest	Total
April 1, 2017	\$ 905,000	\$ 53,657	\$ 958,657
October 1, 2017	-	43,475	43,475
April 1, 2018	940,000	43,475	983,475
October 1, 2018	-	31,725	31,725
April 1, 2019	970,000	31,725	1,001,725
October 1, 2019	-	17,175	17,175
April 1, 2020	1,145,000	17,175	1,162,175
	<u>\$ 3,960,000</u>	<u>\$ 238,407</u>	<u>\$ 4,198,407</u>

2012 General Obligation Street Bonds

The proceeds from this issue were used to finance various infrastructure improvements.
Interest is charged at rates of 2.0% to 2.8%.

	Principal	Interest	Total
April 1, 2017	\$ 50,000	\$ 37,417	\$ 87,417
October 1, 2017	-	36,917	36,917
April 1, 2018	50,000	36,917	86,917
October 1, 2018	-	36,418	36,418
April 1, 2019	165,000	36,418	201,418
October 1, 2019	-	34,768	34,768
April 1, 2020	170,000	34,768	204,768
October 1, 2020	-	33,067	33,067
April 1, 2021	120,000	33,067	153,067
October 1, 2021	-	31,718	31,718
April 1, 2022	125,000	31,718	156,718
October 1, 2022	-	30,311	30,311
April 1, 2023	165,000	30,311	195,311
October 1, 2023	-	28,455	28,455
April 1, 2024	200,000	28,455	228,455
October 1, 2024	-	26,205	26,205
April 1, 2025	190,000	26,205	216,205
October 1, 2025	-	24,068	24,068
April 1, 2026	195,000	24,068	219,068
October 1, 2026	-	21,776	21,776
April 1, 2027	200,000	21,776	221,776
October 1, 2027	-	19,326	19,326
April 1, 2028	205,000	19,326	224,326
October 1, 2028	-	16,713	16,713
April 1, 2029	215,000	16,713	231,713
October 1, 2029	-	13,864	13,864
April 1, 2030	220,000	13,864	233,864
October 1, 2030	-	10,894	10,894
April 1, 2031	385,000	10,894	395,894
October 1, 2031	-	5,600	5,600
April 1, 2032	400,000	5,600	405,600
	<u>\$ 3,055,000</u>	<u>\$ 777,617</u>	<u>\$ 3,832,617</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

2012 General Obligation Refunding Bonds

The proceeds from this issue were used to refund state trust fund loans issued in 2004, 2009 and 2011 for various purposes. Interest is charged at rates of 0.5% to 2.5%.

	Principal	Interest	Total
April 1, 2017	\$ 145,000	\$ 6,307	\$ 151,307
October 1, 2017	-	5,401	5,401
April 1, 2018	150,000	5,401	155,401
October 1, 2018	-	4,276	4,276
April 1, 2019	145,000	4,276	149,276
October 1, 2019	-	2,972	2,972
April 1, 2020	155,000	2,972	157,972
October 1, 2020	-	1,383	1,383
April 1, 2021	55,000	1,383	56,383
October 1, 2021	-	750	750
April 1, 2022	60,000	750	60,750
	<u>\$ 710,000</u>	<u>\$ 35,871</u>	<u>\$ 745,871</u>

2014A General Obligation Refunding Bonds

The proceeds from this issue were used to refund the 2010A general obligation bonds. The proceeds from that issue were used to finance capital projects in the TIF No. 3 capital projects, environmental TIF, water utility and sewer utility funds. Interest is charged on the new debt at rates of 0.4% to 3.2%.

	Principal	Interest	Total
May 1, 2017	\$ 485,000	\$ 58,338	\$ 543,338
November 1, 2017	-	56,640	56,640
May 1, 2018	245,000	56,640	301,640
November 1, 2018	-	55,415	55,415
May 1, 2019	245,000	55,415	300,415
November 1, 2019	-	53,884	53,884
May 1, 2020	255,000	53,884	308,884
November 1, 2020	-	51,971	51,971
May 1, 2021	340,000	51,971	391,971
November 1, 2021	-	49,081	49,081
May 1, 2022	360,000	49,081	409,081
November 1, 2022	-	45,661	45,661
May 1, 2023	370,000	45,661	415,661
November 1, 2023	-	41,776	41,776
May 1, 2024	380,000	41,776	421,776
November 1, 2024	-	37,406	37,406
May 1, 2025	390,000	37,406	427,406
November 1, 2025	-	32,531	32,531
May 1, 2026	410,000	32,531	442,531
November 1, 2026	-	26,996	26,996
May 1, 2027	425,000	26,996	451,996
November 1, 2027	-	20,940	20,940
May 1, 2028	435,000	20,940	455,940
November 1, 2028	-	14,415	14,415
May 1, 2029	450,000	14,415	464,415
November 1, 2029	-	7,440	7,440
May 1, 2030	465,000	7,440	472,440
	<u>\$ 5,255,000</u>	<u>\$ 1,046,650</u>	<u>\$ 6,301,650</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

2015A General Obligation Refunding Bonds

The proceeds from this issue were used to refund the 2005 TIF District No. 3 lease revenue bonds. Interest is charged at rates of 2.0% to 3.0%.

	Principal	Interest	Total
May 1, 2017	\$ 1,405,000	\$ 28,150	\$ 1,433,150
November 1, 2017	-	14,100	14,100
May 1, 2018	1,410,000	14,100	1,424,100
	<u>\$ 2,815,000</u>	<u>\$ 56,350</u>	<u>\$ 2,871,350</u>

2015B General Obligation Promissory Notes

The proceeds from this issue were used to finance infrastructure improvements related to TIF District No. 5. Interest is charged at rates of 0.7% to 2.25%.

	Principal	Interest	Total
May 1, 2017	\$ 700,000	\$ 34,914	\$ 734,914
November 1, 2017	-	32,463	32,463
May 1, 2018	715,000	32,464	747,464
November 1, 2018	-	28,531	28,531
May 1, 2019	735,000	28,531	763,531
November 1, 2019	-	23,386	23,386
May 1, 2020	755,000	23,386	778,386
November 1, 2020	-	16,968	16,968
May 1, 2021	780,000	16,969	796,969
November 1, 2021	-	9,169	9,169
May 1, 2022	815,000	9,169	824,169
	<u>\$ 4,500,000</u>	<u>\$ 255,950</u>	<u>\$ 4,755,950</u>

2015 Fox River Bank Loan

The proceeds from this issue were used to finance infrastructure improvements related to TIF District No. 5. Interest is charged at rates of 2.25% to 3.25%.

	Principal	Interest	Total
May 1, 2017	\$ -	\$ 3,413	\$ 3,413
November 1, 2017	-	3,431	3,431
May 1, 2018	60,000	3,413	63,413
November 1, 2018	-	3,050	3,050
May 1, 2019	60,000	3,033	63,033
November 1, 2019	-	2,516	2,516
May 1, 2020	60,000	2,516	62,516
November 1, 2020	-	1,830	1,830
May 1, 2021	60,000	1,820	61,820
November 1, 2021	-	991	991
May 1, 2022	60,000	986	60,986
	<u>\$ 300,000</u>	<u>\$ 26,999</u>	<u>\$ 326,999</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

Other Long-Term Obligations	Original Principal	Outstanding Principal 12/31/2016
2013 vactor lease/purchase - U.S. Bancorp	342,149	141,241
2013 energy conservation program lease purchase - U.S. Bancorp	1,147,507	1,020,588
2014 DPW chipper lease purchase	147,220	59,609
		<u>\$ 1,221,438</u>

2013 Vactor Lease Purchase

The proceeds from this issue were used to purchase a new sewer vactor truck and chassis. Lease payments are for 5 years at an interest rate of 2.15%.

	Principal	Interest	Total
December 5, 2017	\$ 69,869	\$ 3,037	\$ 72,906
December 5, 2018	71,372	1,535	72,907
	<u>\$ 141,241</u>	<u>\$ 4,572</u>	<u>\$ 145,813</u>

2013 Energy Conservation Program Lease/Purchase

The proceeds from this issue were used for various energy conservation facilities improvements. The total amount of proceeds available is \$1,147,507. Lease payments are for 15 years at an interest rate of 2.698%

	Principal	Interest	Total
February 15, 2017	\$ 16,434	\$ 6,895	\$ 23,329
May 15, 2017	16,545	6,784	23,329
August 15, 2017	16,657	6,672	23,329
November 15, 2017	16,769	6,560	23,329
February 15, 2018	16,883	6,446	23,329
May 15, 2018	16,997	6,332	23,329
August 15, 2018	17,112	6,217	23,329
November 15, 2018	17,228	6,101	23,329
February 15, 2019	17,344	5,985	23,329
May 15, 2019	17,461	5,868	23,329
August 15, 2019	17,579	5,750	23,329
November 15, 2019	17,698	5,631	23,329
February 15, 2020	17,818	5,511	23,329
May 15, 2020	17,938	5,391	23,329
August 15, 2020	18,059	5,270	23,329
November 15, 2020	18,182	5,147	23,329
February 15, 2021	18,305	5,024	23,329
May 15, 2021	18,428	4,901	23,329
August 15, 2021	18,553	4,776	23,329
November 15, 2021	18,678	4,651	23,329
February 15, 2022	18,804	4,525	23,329
Balance carried forward	<u>\$ 369,472</u>	<u>\$ 120,437</u>	<u>\$ 489,909</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

2013 Energy Conservation Program Lease/Purchase - Continued

	Principal	Interest	Total
Balance brought forward	\$ 369,472	\$ 120,437	\$ 489,909
May 15, 2022	18,932	4,397	23,329
August 15, 2022	19,060	4,269	23,329
November 15, 2022	19,188	4,141	23,329
February 15, 2023	19,318	4,011	23,329
May 15, 2023	19,449	3,880	23,329
August 15, 2023	19,580	3,749	23,329
November 15, 2023	19,713	3,616	23,329
February 15, 2024	19,846	3,483	23,329
May 15, 2024	19,980	3,349	23,329
August 15, 2024	20,115	3,214	23,329
November 15, 2024	20,251	3,078	23,329
February 15, 2025	20,388	2,941	23,329
May 15, 2025	20,526	2,803	23,329
August 15, 2025	20,665	2,664	23,329
November 15, 2025	20,804	2,525	23,329
February 15, 2026	20,945	2,384	23,329
May 15, 2026	21,086	2,243	23,329
August 15, 2026	21,229	2,100	23,329
November 15, 2026	21,373	1,956	23,329
February 15, 2027	21,517	1,812	23,329
May 15, 2027	21,663	1,666	23,329
August 15, 2027	21,809	1,520	23,329
November 15, 2027	21,956	1,373	23,329
February 15, 2028	22,105	1,224	23,329
May 15, 2028	22,254	1,075	23,329
August 15, 2028	22,405	924	23,329
November 15, 2028	22,556	773	23,329
February 15, 2029	22,709	620	23,329
May 15, 2029	22,862	467	23,329
August 15, 2029	23,017	312	23,329
November 15, 2029	23,815	156	23,971
	<u>\$ 1,020,588</u>	<u>\$ 193,162</u>	<u>\$ 1,213,750</u>

2014 DPW Chipper Lease Purchase

The proceeds from this issue were used to purchase a new single axle chipper truck. Lease payments are for 5 years at an interest rate of 2.581%.

	Principal	Interest	Total
October 1, 2017	\$ 29,425	\$ 1,538	\$ 30,963
October 1, 2018	30,184	779	30,963
	<u>\$ 59,609</u>	<u>\$ 2,317</u>	<u>\$ 61,926</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

Utility Revenue Debt	Original Principal	Outstanding Principal 12/31/2016
2008 sewer revenue bonds - Clean Water Fund (No. 5096-02)	\$ 4,465,837	\$ 2,971,113
2008 sewer revenue bonds - Clean Water Fund (No. 5096-04)	926,948	586,047
2011 water revenue refunding bonds	2,050,000	1,235,000
2012 water revenue bonds - Clean Water Fund (No. 5475-01)	2,044,276	1,633,564
2012 sewer revenue bonds - Clean Water Fund (No. 5096-09)	7,439,911	6,501,562
		<u>\$ 12,927,286</u>

2008 Clean Water Fund Loan (No. 5096-02)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.569%.

	Principal	Interest	Total
May 1, 2017	\$ 214,529	\$ 38,164	\$ 252,693
November 1, 2017	-	35,408	35,408
May 1, 2018	220,040	35,408	255,448
November 1, 2018	-	32,582	32,582
May 1, 2019	225,693	32,582	258,275
November 1, 2019	-	29,683	29,683
May 1, 2020	231,491	29,683	261,174
November 1, 2020	-	26,709	26,709
May 1, 2021	237,438	26,709	264,147
November 1, 2021	-	23,660	23,660
May 1, 2022	243,538	23,660	267,198
November 1, 2022	-	20,531	20,531
May 1, 2023	249,794	20,531	270,325
November 1, 2023	-	17,323	17,323
May 1, 2024	256,211	17,323	273,534
November 1, 2024	-	14,032	14,032
May 1, 2025	262,794	14,032	276,826
November 1, 2025	-	10,656	10,656
May 1, 2026	269,545	10,656	280,201
November 1, 2026	-	7,193	7,193
May 1, 2027	276,469	7,193	283,662
November 1, 2027	-	3,642	3,642
May 1, 2028	283,571	3,642	287,213
	<u>\$ 2,971,113</u>	<u>\$ 481,002</u>	<u>\$ 3,452,115</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

2008 Clean Water Fund Loan (No. 5096-04)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.365%.

	Principal	Interest	Total
May 1, 2017	\$ 47,271	\$ 6,930	\$ 54,201
November 1, 2017	-	6,371	6,371
May 1, 2018	48,389	6,371	54,760
November 1, 2018	-	5,799	5,799
May 1, 2019	49,534	5,799	55,333
November 1, 2019	-	5,213	5,213
May 1, 2020	50,705	5,213	55,918
November 1, 2020	-	4,614	4,614
May 1, 2021	51,904	4,614	56,518
November 1, 2021	-	4,000	4,000
May 1, 2022	53,132	4,000	57,132
November 1, 2022	-	3,371	3,371
May 1, 2023	54,388	3,371	57,759
November 1, 2023	-	2,728	2,728
May 1, 2024	55,675	2,728	58,403
November 1, 2024	-	2,070	2,070
May 1, 2025	56,991	2,070	59,061
November 1, 2025	-	1,396	1,396
May 1, 2026	58,339	1,396	59,735
November 1, 2026	-	706	706
May 1, 2027	59,719	706	60,425
	<u>\$ 586,047</u>	<u>\$ 79,466</u>	<u>\$ 665,513</u>

2011 Water Revenue Refunding Bonds

The proceeds from this issue were used to refund the 2002 water revenue bonds that were issued to finance various water utility improvements. Interest is charged at rates of 2.0% to 3.5%.

	Principal	Interest	Total
May 1, 2017	\$ 190,000.0	\$ 19,674.0	\$ 209,674.0
November 1, 2017	-	16,823	16,823
May 1, 2018	195,000	16,823	211,823
November 1, 2018	-	13,898	13,898
May 1, 2019	200,000	13,898	213,898
November 1, 2019	-	10,899	10,899
May 1, 2020	210,000	10,899	220,899
November 1, 2020	-	7,539	7,539
May 1, 2021	215,000	7,539	222,539
November 1, 2021	-	3,938	3,938
May 1, 2022	225,000	3,938	228,938
	<u>\$ 1,235,000</u>	<u>\$ 125,868</u>	<u>\$ 1,360,868</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

2012 Clean Water Fund Loan (No. 5475-01)

The proceeds from this issue were used for various water utility improvements. Interest is charged at the rate of 2.2%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2017	93,105	17,969	111,074
November 1, 2017	-	16,945	16,945
May 1, 2018	95,153	16,945	112,098
November 1, 2018	-	15,898	15,898
May 1, 2019	97,246	15,898	113,144
November 1, 2019	-	14,829	14,829
May 1, 2020	99,386	14,829	114,215
November 1, 2020	-	13,735	13,735
May 1, 2021	101,572	13,735	115,307
November 1, 2021	-	12,618	12,618
May 1, 2022	103,807	12,618	116,425
November 1, 2022	-	11,476	11,476
May 1, 2023	106,090	11,476	117,566
November 1, 2023	-	10,309	10,309
May 1, 2024	108,424	10,309	118,733
November 1, 2024	-	9,117	9,117
May 1, 2025	110,810	9,117	119,927
November 1, 2025	-	7,898	7,898
May 1, 2026	113,248	7,898	121,146
November 1, 2026	-	6,652	6,652
May 1, 2027	115,739	6,652	122,391
November 1, 2027	-	5,379	5,379
May 1, 2028	118,285	5,379	123,664
November 1, 2028	-	4,078	4,078
May 1, 2029	120,888	4,078	124,966
November 1, 2029	-	2,748	2,748
May 1, 2030	123,547	2,748	126,295
November 1, 2030	-	1,389	1,389
May 1, 2031	126,264	1,389	127,653
	<u>\$ 1,633,564</u>	<u>\$ 284,111</u>	<u>\$ 1,917,675</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

2012 Clean Water Fund Loan (No. 5096-09)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.625%.

	Principal	Interest	Total
May 1, 2017	\$ 332,204	\$ 85,333	\$ 417,537
November 1, 2017	-	80,973	80,973
May 1, 2018	340,925	80,973	421,898
November 1, 2018	-	76,498	76,498
May 1, 2019	349,874	76,498	426,372
November 1, 2019	-	71,906	71,906
May 1, 2020	359,058	71,906	430,964
November 1, 2020	-	67,193	67,193
May 1, 2021	368,483	67,193	435,676
November 1, 2021	-	62,357	62,357
May 1, 2022	378,156	62,357	440,513
November 1, 2022	-	57,394	57,394
May 1, 2023	388,083	57,394	445,477
November 1, 2023	-	52,300	52,300
May 1, 2024	398,270	52,300	450,570
November 1, 2024	-	47,073	47,073
May 1, 2025	408,724	47,073	455,797
November 1, 2025	-	41,709	41,709
May 1, 2026	419,453	41,709	461,162
November 1, 2026	-	36,203	36,203
May 1, 2027	430,464	36,203	466,667
November 1, 2027	-	30,553	30,553
May 1, 2028	441,764	30,553	472,317
November 1, 2028	-	24,755	24,755
May 1, 2029	453,360	24,755	478,115
November 1, 2029	-	18,805	18,805
May 1, 2030	465,261	18,805	484,066
November 1, 2030	-	12,698	12,698
May 1, 2031	477,474	12,698	490,172
November 1, 2031	-	6,431	6,431
May 1, 2032	490,009	6,431	496,440
	<u>\$ 6,501,562</u>	<u>\$ 1,459,029</u>	<u>\$ 7,960,591</u>