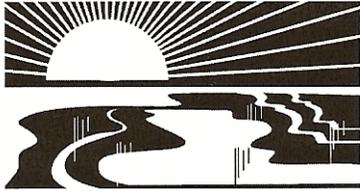


**CITY OF BURLINGTON**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2014**

**CITY OF BURLINGTON**  
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**For the Year Ended December 31, 2014**

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**Patrick W. Romenesko, S.C.**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**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, 2014, 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, 2014, 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*

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  
June 25, 2015

**CITY OF BURLINGTON**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2014**

	<u>Primary Government</u>		<u>Total</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		<u>Housing Authority</u>
<b><u>Assets</u></b>				
Pooled cash and investments	\$ 1,500,169	\$ 1,005,068	\$ 2,505,237	\$ 83,104
Receivables:				
2014 tax levy	9,957,531	-	9,957,531	-
Delinquent personal property tax (net of allowance for uncollectible accounts)	907	-	907	-
Accounts and other	54,961	1,097,889	1,152,850	3,912
Special assessments	52,230	165,541	217,771	-
Internal balances	1,410,176	(1,410,176)	-	-
Inventories	-	26,312	26,312	-
Prepaid items	13,285	-	13,285	11,752
Restricted assets:				
Cash and investments	2,643,832	397,418	3,041,250	223,886
Notes receivable	2,336,699	-	2,336,699	-
Capital assets (net of accumulated depreciation):				
Land and land rights	20,147,482	1,164,332	21,311,814	87,236
Buildings and improvements	9,616,279	30,809,297	40,425,576	2,261,667
Land improvements and other structures	3,625,016	2,054,267	5,679,283	183,564
Machinery and equipment	7,375,925	10,463,798	17,839,723	137,904
Infrastructure	42,555,923	31,787,233	74,343,156	-
Less: accumulated depreciation	(28,172,695)	(29,916,955)	(58,089,650)	(1,737,065)
Total assets	<u>73,117,720</u>	<u>47,644,024</u>	<u>120,761,744</u>	<u>1,255,960</u>
<b><u>Liabilities</u></b>				
Accounts payable and other current liabilities	544,180	214,770	758,950	7,910
Accrued interest payable	163,779	6,616	170,395	-
Deposits held	16,457	3,000	19,457	31,324
Liabilities payable from restricted assets:				
Accrued interest payable	-	63,136	63,136	-
Non-current liabilities:				
Compensated absences, due beyond one year	290,329	72,998	363,327	-
Bonds and notes payable, due within one year	3,530,010	960,554	4,490,564	4,920
Bonds and notes payable, due beyond one year	22,502,158	15,592,068	38,094,226	851,270
Total liabilities	<u>27,046,913</u>	<u>16,913,142</u>	<u>43,960,055</u>	<u>895,424</u>
<b><u>Deferred Inflows of Resources</u></b>				
Property taxes	<u>10,410,459</u>	<u>-</u>	<u>10,410,459</u>	<u>-</u>
<b><u>Net Position</u></b>				
Invested in capital assets, net of related debt	29,115,762	30,362,548	59,478,310	177,116
Restricted for debt service	2,643,832	397,418	3,041,250	93,317
Unrestricted	3,900,754	(29,084)	3,871,670	90,103
Total net position	<u>\$ 35,660,348</u>	<u>\$ 30,730,882</u>	<u>\$ 66,391,230</u>	<u>\$ 360,536</u>

See accompanying notes to financial statements.

A two-page statement of activities follows.

**CITY OF BURLINGTON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs</b>				
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 876,603	\$ 40,491	\$ -	\$ -
Public safety	3,989,963	370,227	72,123	-
Public works	3,187,681	31,993	596,594	40,365
Health and human services	77,422	-	-	-
Culture, recreation and education	1,687,707	47,164	330,470	35,540
Conservation and development	513,963	36,448	96,000	-
Interest and fiscal charges	791,172	-	-	-
Total governmental activities	11,124,511	526,323	1,095,187	75,905
Business-type activities:				
Water	1,823,046	2,114,676	-	12,967
Sewer	3,296,305	2,885,802	-	74,787
Airport	982,450	918,434	-	429,709
Total business-type activities	6,101,801	5,918,912	-	517,463
Total primary government	17,226,312	6,445,235	1,095,187	593,368
<b>Component unit:</b>				
Housing authority	\$ 385,167	\$ 411,349	\$ -	\$ -

General revenues:

- Taxes:
  - Property taxes levied for general purposes
  - Franchise taxes
  - Public accommodation taxes
  - Payments in lieu of taxes
  - Other taxes
- Intergovernmental revenues not restricted to specific programs
- Property rents
- Gain on sale 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
\$ (836,112)	\$ -	\$ (836,112)	\$ -
(3,547,613)	-	(3,547,613)	-
(2,518,729)	-	(2,518,729)	-
(77,422)	-	(77,422)	-
(1,274,533)	-	(1,274,533)	-
(381,515)	-	(381,515)	-
(791,172)	-	(791,172)	-
<u>(9,427,096)</u>	<u>-</u>	<u>(9,427,096)</u>	<u>-</u>
-	304,597	304,597	-
-	(335,716)	(335,716)	-
-	365,693	365,693	-
<u>-</u>	<u>334,574</u>	<u>334,574</u>	<u>-</u>
<u>(9,427,096)</u>	<u>334,574</u>	<u>(9,092,522)</u>	<u>-</u>
			<u>26,182</u>
10,159,299	-	10,159,299	-
129,674	-	129,674	-
108,736	-	108,736	-
35,321	-	35,321	-
234	-	234	-
690,921	-	690,921	-
72,573	-	72,573	-
18,437	108,735	127,172	-
180,069	16,819	196,888	169
480,294	(480,294)	-	-
<u>11,875,558</u>	<u>(354,740)</u>	<u>11,520,818</u>	<u>169</u>
2,448,463	(20,166)	2,428,296	26,351
<u>33,211,885</u>	<u>30,751,048</u>	<u>63,962,933</u>	<u>334,185</u>
<u>\$ 35,660,348</u>	<u>\$ 30,730,882</u>	<u>\$ 66,391,229</u>	<u>\$ 360,536</u>

A two-page balance sheet - governmental funds follows.

**CITY OF BURLINGTON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2014**

<b><u>Assets</u></b>	<b><u>General</u></b>	<b><u>TIF No. 3 Debt Service Fund</u></b>	<b><u>Environmental TIF Capital Projects</u></b>	<b><u>Other Governmental Funds</u></b>	<b><u>Total Governmental Funds</u></b>
Pooled cash and investments	\$ -	\$ -	\$ 3,322	\$ 1,859,619	\$ 1,862,941
Receivables:					
2014 tax levy	5,167,787	4,150,561	33,683	605,500	9,957,531
Delinquent personal property, net	907	-	-	-	907
Accounts and other	33,841	-	-	21,120	54,961
Special assessments	52,230	-	-	-	52,230
Due from other funds	682,953	-	-	150,271	833,224
Prepaid items	13,285	-	-	-	13,285
Restricted assets:					
Cash and investments	-	2,536,051	-	107,781	2,643,832
Advances to other funds	1,972,786	1,771,462	-	-	3,744,248
Notes receivable	-	-	1,065,624	1,271,075	2,336,699
Total assets	<u>7,923,789</u>	<u>8,458,074</u>	<u>1,102,629</u>	<u>4,015,366</u>	<u>21,499,858</u>
<b><u>Liabilities, Deferred Inflows of Resources</u></b>					
<b><u>and Fund Balances</u></b>					
<b><u>Liabilities:</u></b>					
Accounts payable and accrued expenses	358,169	-	-	101,868	460,037
Due to other funds	150,271	-	59,861	150,700	360,832
Deposits held	16,457	-	-	-	16,457
Advances from other funds	-	-	1,771,462	1,035,002	2,806,464
Total liabilities	<u>524,897</u>	<u>-</u>	<u>1,831,323</u>	<u>1,287,570</u>	<u>3,643,790</u>
<b><u>Deferred Inflows of Resources:</u></b>					
Deferred revenue	5,620,717	4,150,561	1,099,308	1,876,575	12,747,161
Deferred special assessments	75,867	-	-	-	75,867
Total deferred inflows of resources	<u>5,696,584</u>	<u>4,150,561</u>	<u>1,099,308</u>	<u>1,876,575</u>	<u>12,823,028</u>

**CITY OF BURLINGTON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2014**

	General	TIF No. 3 Debt Service Fund	Environmental TIF District	Other Governmental Funds	Total Governmental Funds
<b><u>Fund balances:</u></b>					
Nonspendable for:					
Delinquent taxes receivable	907	-	-	-	907
Prepaid expenditures	13,285	-	-	-	13,285
Permanent funds	-	-	-	50,000	50,000
Net advances to other funds	1,972,786	1,771,462	-	-	3,744,248
Restricted	-	2,536,051	(1,828,002)	-	708,049
Assigned	-	-	-	801,221	801,221
Unassigned	(284,670)	-	-	-	(284,670)
Total fund balances	1,702,308	4,307,513	(1,828,002)	851,221	5,033,040
Total liabilities, deferred inflows of resources and fund balances	\$ 7,923,789	\$ 8,458,074	\$ 1,102,629	\$ 4,015,366	

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.

55,147,930

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

2,412,569

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.

(446,915)

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

(26,486,276)

Net position of governmental activities

\$ 35,660,348

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, 2014**

<b><u>Revenues</u></b>	<b><u>General</u></b>	<b><u>TIF No. 3 Debt Service Fund</u></b>	<b><u>Environmental TIF Capital Projects</u></b>	<b><u>Other Governmental Funds</u></b>	<b><u>Total Governmental Funds</u></b>
Taxes:					
General property taxes	\$ 4,414,015	\$ 4,565,495	\$ 63,885	\$ 1,115,904	\$ 10,159,299
Payments in lieu of taxes	35,321	-	-	-	35,321
Room tax and other taxes	108,970	-	-	-	108,970
Intergovernmental	1,451,694	20,583	878	275,020	1,748,175
Licenses and permits	393,240	-	-	-	393,240
Fines and forfeitures	175,122	-	-	-	175,122
Charges for services	104,460	-	-	36,096	140,556
Special assessments	36,706	-	-	-	36,706
Investment earnings	14,186	66,703	76,457	22,723	180,069
Repayments of note receivable principal	-	-	31,966	35,170	67,136
Other	43,186	-	-	75,592	118,778
Total revenues	<u>6,776,900</u>	<u>4,652,781</u>	<u>173,186</u>	<u>1,560,505</u>	<u>13,163,372</u>
<b><u>Expenditures</u></b>					
Current:					
General government	842,965	13,437	180	-	856,582
Public safety	3,670,524	-	-	2,500	3,673,024
Public works	2,067,427	-	-	194,805	2,262,232
Health and human services	77,422	-	-	-	77,422
Culture, recreation and education	637,904	-	-	837,374	1,475,278
Conservation and development	375,673	20,591	-	255,699	651,963
Debt issuance costs	-	-	-	65,656	65,656
Capital outlay	-	-	-	1,699,463	1,699,463
Debt service:					
Principal	-	3,213,613	90,000	4,700,964	8,004,577
Interest and fiscal charges	-	504,743	55,721	222,918	783,382
Total expenditures	<u>7,671,915</u>	<u>3,752,384</u>	<u>145,901</u>	<u>7,979,379</u>	<u>19,549,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(895,015)</u>	<u>900,397</u>	<u>27,285</u>	<u>(6,418,874)</u>	<u>(6,386,207)</u>
<b><u>Other Financing Sources (Uses)</u></b>					
Transfers in	302,702	-	-	95,238	397,940
Transfers out	(25,000)	(10,000)	(30,000)	(32,940)	(97,940)
Refunding bonds issued	-	-	-	4,540,000	4,540,000
Discount on bonds issued	-	-	-	(28,210)	(28,210)
Equipment lease purchase proceeds	-	-	-	147,220	147,220
Water utility tax equivalent	480,294	-	-	-	480,294
Sale of capital assets	116,260	-	-	21,162	137,422
Total other financing sources and uses	<u>874,256</u>	<u>(10,000)</u>	<u>(30,000)</u>	<u>4,742,470</u>	<u>5,576,726</u>
Net change in fund balances	(20,759)	890,397	(2,715)	(1,676,404)	(809,481)
Fund balances - beginning	<u>1,723,067</u>	<u>3,417,116</u>	<u>(1,825,287)</u>	<u>2,527,625</u>	<u>5,842,521</u>
Fund balances - ending	<u>\$ 1,702,308</u>	<u>\$ 4,307,513</u>	<u>\$ (1,828,002)</u>	<u>\$ 851,221</u>	<u>\$ 5,033,040</u>

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, 2014**

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) \$ (809,481)

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.

Certain capital outlay costs that are recorded as capital assets in the government-wide financial statements	1,699,463
Depreciation expense is recorded in the government-wide statements	(1,430,969)
Net book value of assets retired affects net position	(118,985)

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.

Notes receivable issued	250,000
Special assessments levied	14,712
Collection of special assessments	(36,706)
Collection and incentive forgiveness of notes receivable	(179,136)

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.

Principal and defeasance payments on long-term debt	8,004,577
Issuance of general obligation debt and equipment leases	(4,687,220)

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.

Changes in interest accrued on long-term debt	86,077
Changes in compensated absences	23,433

The net revenue of internal service fund activity is reported with governmental activities.

(367,302)

Change in net position of governmental activities (Pages 4 - 5)	<u>\$ 2,448,463</u>
---	---------------------

**CITY OF BURLINGTON**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues</u></b>			
Taxes:			
General property taxes	\$ 4,416,593	\$ 4,414,015	\$ (2,578)
Payments in lieu of taxes	32,000	35,321	3,321
Room tax	102,000	108,736	6,736
Other taxes	150	234	84
Intergovernmental	1,325,875	1,451,694	125,819
Licenses and permits	310,220	393,240	83,020
Fines and forfeitures	201,000	175,122	(25,878)
Charges for services	103,100	104,460	1,360
Special assessments	14,000	36,706	22,706
Investment income	10,250	14,186	3,936
Other	37,300	43,186	5,886
Total revenues	<u>6,552,488</u>	<u>6,776,900</u>	<u>224,412</u>
<b><u>Expenditures</u></b>			
Current:			
General government	867,201	842,965	24,236
Public safety	3,714,195	3,670,524	43,671
Public works	2,014,267	2,067,427	(53,160)
Health and human services	82,800	77,422	5,378
Culture, recreation and education	616,289	637,904	(21,615)
Conservation and development	222,186	375,673	(153,487)
Total expenditures	<u>7,516,938</u>	<u>7,671,915</u>	<u>(154,977)</u>
Excess expenditures over revenues	<u>(964,450)</u>	<u>(895,015)</u>	<u>69,435</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers in	617,000	302,702	(314,298)
Transfers out	(55,000)	(25,000)	30,000
Sale of capital assets	-	116,260	116,260
Water utility tax equivalent	391,000	480,294	89,294
Total other financing sources and uses	<u>953,000</u>	<u>874,256</u>	<u>(78,744)</u>
Change in fund balances	(11,450)	(20,759)	(9,309)
Fund balances - beginning	<u>1,723,067</u>	<u>1,723,067</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,711,617</u>	<u>\$ 1,702,308</u>	<u>\$ (9,309)</u>

See accompanying notes to financial statements.

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

**CITY OF BURLINGTON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2014**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
<u>Assets</u>	Water Utility	Sewer Utility	Airport	Totals	
Current assets:					
Cash and investments	\$ 68,669	\$ -	\$ 247,755	\$ 316,424	\$ 325,871
Receivables:					
Customer accounts receivable	552,715	340,215	24,353	917,283	-
Special assessments	68,654	96,887	-	165,541	-
Other	98,888	81,718	-	180,606	-
Inventories	12,095	-	14,217	26,312	-
Total current assets	801,021	518,820	286,325	1,606,166	325,871
Noncurrent assets:					
Restricted assets:					
Restricted cash and investments	205,056	192,362	-	397,418	-
Capital assets:					
Property, plant and equipment	24,108,675	49,086,191	3,084,061	76,278,927	-
Less accumulated depreciation	(6,787,275)	(21,870,808)	(1,258,872)	(29,916,955)	-
Total capital assets, net	17,321,400	27,215,383	1,825,189	46,361,972	-
Total noncurrent assets	17,526,456	27,407,745	1,825,189	46,759,390	-
Total assets	\$ 18,327,477	\$ 27,926,565	\$ 2,111,514	\$ 48,365,556	\$ 325,871

See accompanying notes to financial statements.

**CITY OF BURLINGTON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2014**

Business-type Activities - Enterprise Funds

<b><u>Liabilities</u></b>	Water Utility	Sewer Utility	Airport	Totals	Governmental Activities - Internal Service Fund
Current liabilities:					
Accounts payable	\$ 55,997	\$ 110,112	\$ 25,388	\$ 191,497	\$ 84,143
Accrued payroll	9,011	14,262	-	23,273	-
Accrued interest payable	2,427	4,189	-	6,616	-
Due to general fund - tax equivalent	472,392	-	-	472,392	-
Current portion of general obligation bonds	25,000	35,000	-	60,000	-
Current portion of lease obligation payable	-	66,959	-	66,959	-
Deposits held	-	3,000	-	3,000	-
Total current liabilities	<u>564,827</u>	<u>233,522</u>	<u>25,388</u>	<u>823,737</u>	<u>84,143</u>
Current liabilities payable from restricted assets:					
Current portion of revenue bonds payable	269,139	564,456	-	833,595	-
Accrued interest payable	14,733	48,403	-	63,136	-
Total current liabilities payable from restricted assets	<u>283,872</u>	<u>612,859</u>	<u>-</u>	<u>896,731</u>	<u>-</u>
Noncurrent liabilities:					
Revenue bonds payable	3,144,664	10,637,764	-	13,782,428	-
General obligation bonds payable	630,000	970,000	-	1,600,000	-
Lease purchase obligation payable	-	209,640	-	209,640	-
Advances from other funds	277,278	660,506	-	937,784	-
Compensated absences	41,043	31,955	-	72,998	-
Total noncurrent liabilities	<u>4,092,985</u>	<u>12,509,865</u>	<u>-</u>	<u>16,602,850</u>	<u>-</u>
Total liabilities	<u>4,941,684</u>	<u>13,356,246</u>	<u>25,388</u>	<u>18,323,318</u>	<u>84,143</u>
<b><u>Net Position</u></b>					
Invested in capital assets, net of related debt	13,252,597	15,284,762	1,825,189	30,362,548	-
Restricted for debt service	205,056	192,362	-	397,418	-
Unrestricted	(71,860)	(906,805)	260,937	(717,728)	241,728
Total net position	<u>\$ 13,385,793</u>	<u>\$ 14,570,319</u>	<u>\$ 2,086,126</u>	<u>\$ 30,042,238</u>	<u>\$ 241,728</u>

See accompanying notes to financial statements.

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

**CITY OF BURLINGTON**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Airport</u>	<u>Totals</u>	
<b><u>Operating Revenues</u></b>					
Charges for sales and services:					
Water sales	\$ 2,099,895	\$ -	\$ -	\$ 2,099,895	\$ -
Sewer charges	-	2,804,331	-	2,804,331	-
Fuel sales	-	-	848,199	848,199	-
Billings to departments	-	-	-	-	1,278,256
Other	14,781	81,471	70,235	166,487	58,573
Total operating revenues	<u>2,114,676</u>	<u>2,885,802</u>	<u>918,434</u>	<u>5,918,912</u>	<u>1,336,829</u>
<b><u>Operating Expenses</u></b>					
Operation and maintenance	1,133,894	1,557,935	119,642	2,811,471	-
Fuel for resale	-	-	758,899	758,899	-
Depreciation	593,376	1,482,904	92,429	2,168,709	-
Taxes	31,023	39,719	11,480	82,222	-
Insurance claims and administration	-	-	-	-	1,334,774
Total operating expenses	<u>1,758,293</u>	<u>3,080,558</u>	<u>982,450</u>	<u>5,821,301</u>	<u>1,334,774</u>
Operating income (loss)	<u>356,383</u>	<u>(194,756)</u>	<u>(64,016)</u>	<u>97,611</u>	<u>2,055</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	9,330	7,416	73	16,819	5,914
Bond issuance costs	(15,000)	(20,000)	-	(35,000)	-
Interest expense	(103,854)	(230,148)	-	(334,002)	-
Total nonoperating revenue (expenses)	<u>(109,524)</u>	<u>(242,732)</u>	<u>73</u>	<u>(352,183)</u>	<u>5,914</u>
Income before contributions and transfers	246,859	(437,488)	(63,943)	(254,572)	7,969
Capital contributions	12,967	74,787	429,709	517,463	-
Gain on sale of assets	-	-	108,735	108,735	-
Transfers out	-	-	-	-	(300,000)
Tax equivalent to municipality	(467,064)	-	-	(467,064)	-
Change in net position	<u>(207,238)</u>	<u>(362,701)</u>	<u>474,501</u>	<u>(95,438)</u>	<u>(292,031)</u>
Net position - beginning of year	<u>13,593,031</u>	<u>14,933,020</u>	<u>1,611,625</u>	<u>30,137,676</u>	<u>533,759</u>
Net position - end of year	<u>\$ 13,385,793</u>	<u>\$ 14,570,319</u>	<u>\$ 2,086,126</u>	<u>30,042,238</u>	<u>\$ 241,728</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>688,644</u>	
Net position of business - type activities (page 3)				<u>\$ 30,730,882</u>	

See accompanying notes to financial statements.

**CITY OF BURLINGTON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
<b><u>Cash Flows from Operating Activities</u></b>					
Receipts from customers and users	\$ 2,115,304	\$ 2,941,630	\$ 894,081	\$ 5,951,015	\$ -
Receipts from interfund services provided	-	-	-	-	1,336,829
Payments to suppliers	(749,280)	(1,510,977)	(849,917)	(3,110,174)	-
Payments to employees	(413,483)	(528,783)	-	(942,266)	-
Payments for interfund services used	-	-	-	-	(1,330,400)
Net cash provided by operating activities	<u>952,541</u>	<u>901,870</u>	<u>44,164</u>	<u>1,898,575</u>	<u>6,429</u>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>					
Transfers to other funds	(467,064)	-	-	-	(300,000)
Advances received from other funds	277,278	660,506	-	937,784	-
Net cash provided by (used for) noncapital financing activities	<u>(189,786)</u>	<u>660,506</u>	<u>-</u>	<u>937,784</u>	<u>(300,000)</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>					
Capital contributions	1,967	74,787	429,709	506,463	-
Acquisition and construction of capital assets	(178,750)	(311,712)	(602,811)	(1,093,273)	-
Salvage, insurance proceeds and sales of capital assets	22,569	-	108,735	131,304	-
Face value of bonds issued	655,000	1,366,761	-	2,021,761	-
Principal paid on bonds	(922,220)	(2,232,644)	-	(3,154,864)	-
Interest paid	(122,699)	(338,655)	-	(461,354)	-
Special assessment collections	46,196	66,008	-	112,204	-
Net cash used for capital and related financing activities	<u>(497,937)</u>	<u>(1,375,455)</u>	<u>(64,367)</u>	<u>(1,937,759)</u>	<u>-</u>
<b><u>Cash Flows from Investing Activities</u></b>					
Investment income	8,294	5,107	73	13,474	5,914
Net cash provided by investing activities	<u>8,294</u>	<u>5,107</u>	<u>73</u>	<u>13,474</u>	<u>5,914</u>
Net increase (decrease) in cash and cash equivalents	273,112	192,028	(20,130)	912,074	(287,657)
Cash and cash equivalents - beginning of year	<u>613</u>	<u>334</u>	<u>267,885</u>	<u>268,832</u>	<u>613,528</u>
Cash and cash equivalents - end of year	<u>\$ 273,725</u>	<u>\$ 192,362</u>	<u>\$ 247,755</u>	<u>\$ 713,842</u>	<u>\$ 325,871</u>

See accompanying notes to financial statements.

**CITY OF BURLINGTON**  
**STATEMENT OF CASH FLOWS - CONTINUED**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Business-type Activities - Enterprise Funds

<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</u></b>	Water Utility	Sewer Utility	Airport	Totals	Governmental Activities - Internal Service Fund
Operating income (loss)	\$ 356,383	\$ (194,756)	\$ (64,016)	\$ 97,611	\$ 2,055
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	593,376	1,482,904	92,429	2,168,709	-
Depreciation charged to clearing account	19,881	-	-	19,881	-
(Increase) decrease in customer and other receivables	628	55,828	(24,353)	32,103	-
(Increase) decrease in prepaid expenses	3,475	-	-	3,475	-
(Increase) decrease in inventories	(232)	-	22,393	22,161	-
Increase (decrease) in accounts payable	4,417	(155,387)	17,711	(133,259)	4,374
Increase (decrease) in accrued payroll	2,008	270	-	2,278	-
Increase (decrease) in due to other funds	(28,866)	(283,097)	-	(311,963)	-
Increase (decrease) in compensated absences payable	1,471	(3,892)	-	(2,421)	-
Total adjustments	<u>596,158</u>	<u>1,096,626</u>	<u>108,180</u>	<u>1,800,964</u>	<u>4,374</u>
Net cash provided by (used for) operating activities	<u>952,541</u>	<u>901,870</u>	<u>44,164</u>	<u>1,898,575</u>	<u>6,429</u>
 <b><u>Reconciliation of Cash and Cash Equivalents to Statement of Net Position - Proprietary Funds</u></b>					
Cash and investments reported as current assets	68,669	-	247,755	316,424	325,871
Cash and investments reported as restricted assets	<u>205,056</u>	<u>192,362</u>	<u>-</u>	<u>397,418</u>	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ 273,725</u>	<u>\$ 192,362</u>	<u>\$ 247,755</u>	<u>\$ 713,842</u>	<u>\$ 325,871</u>

**Noncash Capital and Related Financing Activities**

Capital additions of \$11,000 were contributed to the water utility by customers.

See accompanying notes to financial statements.

**CITY OF BURLINGTON**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2014**

	<u>Tax Roll</u>	<u>Municipal Court</u>	<u>Developers' Reimbursement Fund</u>	<u>Totals</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 8,138,931	\$ 14,552	\$ 7,651	\$ 8,161,134
Taxes receivable	2,218,471	-	-	2,218,471
Total assets	<u>10,357,402</u>	<u>14,552</u>	<u>7,651</u>	<u>10,379,605</u>
<b><u>Liabilities</u></b>				
Liabilities:				
Accounts payable	186,494	10,809	-	197,303
Due to county and state	2,603,871	-	-	2,603,871
Due to school and VTAE districts	7,567,037	-	-	7,567,037
Deposits held	-	3,743	7,651	11,394
Total liabilities	<u>10,357,402</u>	<u>14,552</u>	<u>7,651</u>	<u>10,379,605</u>
<b>Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF BURLINGTON**  
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**For the Year Ended December 31, 2014**

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**CITY OF BURLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**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, 2014. 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.

*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
- Derozier
- 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
- TIF No. 5
- 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 2014 tax levy follows:

Lien and levy dates	December 2014
Real estate collection due dates:	
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property tax due in full	January 31, 2015
Final settlement with county	August 2015
Tax sale of 2014 delinquent real estate taxes	October 2017

**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	\$ 205,056	\$ - - -	\$ 205,056
Bond debt service fund	- - -	192,362	192,362
Total	<u>\$ 205,056</u>	<u>\$ 192,362</u>	<u>\$ 397,418</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. 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.

## **Note 1 - Summary Of Significant Accounting Policies - Continued**

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

#### ***7. Long-Term Obligations - Continued***

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.

#### ***8. 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.

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.

## **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. One 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 \$26,486,275 difference are as follows:

Bonds and notes payable	\$26,032,167
Accrued interest payable	163,779
Compensated absences payable	<u>290,329</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net-assets - governmental activities	<u>\$26,486,275</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	\$ 250,000
Special assessments levied	14,712
Special assessments collected	(36,706)
Principal repayments received on and incentive forgiveness of notes receivable	<u>(179,136)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 48,870</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.

**Note 3 - Stewardship, Compliance, and Accountability - Continued**

**A. Budgetary Information - Continued**

The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the city council. The 2014 budget was not amended.

**B. Deficit Fund Equity**

The following individual funds had deficit fund balances as of December 31, 2014.

	<u>Amount of Deficit</u>
Environmental TIF district capital projects fund	\$(1,828,002)
Infrastructure capital projects fund	(1,035,002)
TIF No. 5 capital projects fund	(194,805)
Facade grant capital projects fund	(18,074)

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 in the facade grant fund will be eliminated by future general fund transfers.

**C. Excess of Expenditures Over Appropriations**

Actual expenditures of the general fund for the year ended December 31, 2014 of \$7,671,915 exceeded their budget of \$7,516,938 by \$154,977.

**D. General Fund Nonspendable Fund Balances**

The fund balance of the general fund at December 31, 2014 was nonspendable for the following:

Delinquent personal property taxes	\$ 907
Prepaid expenditures	<u>13,285</u>
Total	<u><u>\$ 14,192</u></u>

**E. 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, 2014 (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 appropriately 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, 2014 consisted of the following:

	<u>Carrying Amount</u>	<u>Weighted Average Maturity (Days)</u>
Petty cash	\$ 1,158	N/A
Interest bearing checking accounts	1,279,453	Demand
Money market accounts	9,140,319	Demand
State local government investment pool	636,339	117
Certificates of deposit	250,079	650
U.S. treasury securities	1,472,425	27
Government agency securities	<u>927,848</u>	1,743
Total carrying amount	<u><u>\$ 13,707,621</u></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	\$ 2,505,237
Restricted cash and investments	<u>3,041,250</u>
Total reported on statement of net position	5,546,487
Statement of fiduciary net position	<u>8,161,134</u>
Total Cash and Investments	<u>\$ 13,707,621</u>

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 \$636,339 at December 31, 2014 is at cost basis. The fair value of the LGIP investment at December 31, 2014 did not materially differ from its cost basis. The LGIP had a weighted average maturity of 117 days at December 31, 2014.

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.

**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	\$ 5,167,787	\$ 4,150,561	\$ 33,683	\$ ---	\$ ---	\$ 2,823,971	\$ 12,176,002
Taxes - delinquent	907	---	---	---	---	---	907
Accounts and other	33,841	---	---	651,603	421,933	21,120	1,128,497
Special assessments	52,230	---	---	68,654	96,887	---	217,771
Notes	---	---	1,065,624	---	---	1,271,075	2,336,699
Net total receivables	<u>\$ 5,254,765</u>	<u>\$ 4,150,561</u>	<u>\$ 1,099,307</u>	<u>\$ 720,257</u>	<u>\$ 518,820</u>	<u>\$ 4,116,166</u>	<u>\$ 15,859,876</u>

**Note 4 - Detailed Notes on All Funds - Continued**

**B. Receivables - Continued**

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:

	<u>Unavailable</u>	<u>Unearned</u>
Property and other taxes receivable	\$ - - -	\$ 9,938,070
Water utility property tax equivalent	- - -	472,392
Special assessments not yet due (general fund)	75,867	- - -
Notes receivable	<u>2,336,699</u>	<u>- - -</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 2,412,566</u>	<u>\$ 10,410,462</u>

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

<u>Purpose</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Balance 12/31/14</u>
Environmental TIF Capital Projects	9/1/10	7.0%	1,160,000	\$ 1,065,624
Community Development Block Grant	10/23/00	4.0%	60,000	23,155
Community Development Block Grant	7/6/10	2.0%	340,000	294,795
Community Development Block Grant	12/31/11	2.0%	400,000	240,000 *
Community Development Block Grant	7/2/13	0.0%	202,500	202,500 *
TIF No. 3 Revolving Loan	6/01/09	1.625%	21,425	10,073
TIF No. 3 Revolving Loan	6/01/11	4.0%	4,896	552
TIF No. 3 Revolving Loan	1/24/13	0.0%	500,000	<u>500,000 *</u>
Total				<u>\$ 2,336,699</u>

\* - Contains forgiveness provisions for full time employees added.

**Note 4 - Detailed Notes on All Funds - Continued****C. Capital Assets**

Capital asset activity for the year ended December 31, 2014 was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>Governmental Activities</u></b>				
Capital assets, not being depreciated:				
Land	\$ 20,266,467	\$ ---	\$ (118,985)	\$ 20,147,482
Construction in progress	383,787	---	(383,787)	---
Total capital assets, not being depreciated	<u>20,650,254</u>	<u>---</u>	<u>(502,772)</u>	<u>20,147,482</u>
Capital assets, being depreciated:				
Buildings and improvements	8,788,171	828,108	---	9,616,279
Land improvements and other structures	3,625,016	---	---	3,625,016
Machinery and equipment	7,058,639	317,286	---	7,375,925
Infrastructure	41,618,067	937,856	---	42,555,923
Total capital assets being depreciated	<u>61,089,893</u>	<u>2,083,250</u>	<u>---</u>	<u>63,173,143</u>
Less accumulated depreciation for:				
Buildings and other improvements	(3,241,208)	(307,103)	---	(3,548,311)
Machinery and equipment	(4,289,891)	(412,641)	---	(4,702,532)
Infrastructure	(19,091,642)	(830,210)	---	(19,921,852)
Total accumulated depreciation	<u>(26,622,741)</u>	<u>(1,549,954)</u>	<u>---</u>	<u>(28,172,695)</u>
Total capital assets, being depreciated, net	<u>34,467,152</u>	<u>533,296</u>	<u>---</u>	<u>35,000,448</u>
Governmental activities capital assets, net	<u>\$ 55,117,406</u>	<u>\$ 533,296</u>	<u>\$ (502,772)</u>	<u>\$ 55,147,930</u>

**Note 4 - Detailed Notes on All Funds - Continued**

**C. Capital Assets - Continued**

**Business Type Activities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Water Utility</b>				
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	3,165,331	69,106	(20,000)	3,214,437
Infrastructure	17,525,366	120,644	(67,610)	17,578,400
Total capital assets being depreciated	<u>23,746,508</u>	<u>189,750</u>	<u>(87,610)</u>	<u>23,848,648</u>
Less: accumulated depreciation:				
Buildings and improvements	(896,367)	(95,133)	---	(991,500)
Machinery and equipment	(1,044,674)	(206,856)	20,000	(1,231,530)
Infrastructure	(4,297,748)	(334,107)	67,610	(4,564,245)
Total accumulated depreciation	<u>(6,238,789)</u>	<u>(636,096)</u>	<u>87,610</u>	<u>(6,787,275)</u>
Total capital assets, being depreciated, net	<u>17,507,719</u>	<u>(446,346)</u>	<u>---</u>	<u>17,061,373</u>
Business-type activities capital assets, net	<u>\$ 17,767,746</u>	<u>\$ (446,346)</u>	<u>\$ ---</u>	<u>\$ 17,321,400</u>
<b>Sewer Utility</b>				
Capital assets, not being depreciated:				
Land	\$ 778,671	\$ ---	\$ ---	\$ 778,671
Construction in progress	8,167,731	326,699	(8,494,430)	---
Total capital assets, not being depreciated	<u>8,946,402</u>	<u>326,699</u>	<u>(8,494,430)</u>	<u>778,671</u>
Capital assets, being depreciated:				
Buildings and system	18,654,505	8,498,071	(1,900)	27,150,676
Machinery and equipment	8,883,028	64,983	(2,000,000)	6,948,011
Infrastructure	14,201,401	9,433	(2,000)	14,208,834
Total capital assets being depreciated	<u>41,738,934</u>	<u>8,572,487</u>	<u>(2,003,900)</u>	<u>48,307,521</u>
Less: accumulated depreciation:				
Buildings and system	(11,023,302)	(833,585)	1,900	(11,854,987)
Machinery and equipment	(7,310,001)	(365,216)	2,000,000	(5,675,217)
Infrastructure	(4,058,501)	(284,103)	2,000	(4,340,604)
Total accumulated depreciation	<u>(22,391,804)</u>	<u>(1,482,904)</u>	<u>2,003,900</u>	<u>(21,870,808)</u>
Total capital assets, being depreciated, net	<u>19,347,130</u>	<u>7,089,583</u>	<u>---</u>	<u>26,436,713</u>
Business-type activities capital assets, net	<u>\$ 28,293,532</u>	<u>\$ 7,416,282</u>	<u>\$ (8,494,430)</u>	<u>\$ 27,215,384</u>

**Note 4 - Detailed Notes on All Funds - Continued**

**C. Capital Assets - Continued**

**Business Type Activities - Continued**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Airport</b>				
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	41,180	602,810	(41,180)	602,810
Land improvements	2,054,267	---	---	2,054,267
Machinery and equipment	<u>301,350</u>	<u>---</u>	<u>---</u>	<u>301,350</u>
Total capital assets being depreciated	<u>2,396,797</u>	<u>602,810</u>	<u>(41,180)</u>	<u>2,958,427</u>
Less: accumulated depreciation:				
Buildings	(41,180)	(8,854)	41,180	(8,854)
Land improvements	(931,542)	(65,062)	---	(996,604)
Machinery and equipment	<u>(234,901)</u>	<u>(18,513)</u>	<u>---</u>	<u>(253,414)</u>
Total accumulated depreciation	<u>(1,207,623)</u>	<u>(92,429)</u>	<u>41,180</u>	<u>(1,258,872)</u>
Total capital assets, being depreciated, net	<u>1,189,174</u>	<u>510,381</u>	<u>---</u>	<u>1,699,555</u>
Business-type activities capital assets, net	<u>\$ 1,314,808</u>	<u>\$ 510,381</u>	<u>\$ ---</u>	<u>\$ 1,825,189</u>

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

Governmental activities:	
General government	\$ 24,209
Public safety	285,881
Highways and streets, including depreciation of general infrastructure assets	1,038,624
Culture and recreation	<u>201,240</u>
Total depreciation expense - governmental activities	<u>\$ 1,549,954</u>
Business-type activities:	
Water	\$ 593,376
Sewer	1,482,904
Airport	<u>92,429</u>
Total depreciation expense - business-type activities	<u>\$ 2,168,709</u>

**Note 4 - Detailed Notes on All Funds - Continued**

**C. Capital Assets - Continued**

**Discretely Presented Component Unit**

Activity for the Housing Authority for the year ended August 31, 2014 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 87,236	\$ ---	\$ ---	\$ 87,236
Capital assets, being depreciated:				
Buildings	2,241,920	24,336	(4,589)	2,261,667
Landscaping	137,904	---	---	137,904
Furniture and equipment	183,564	---	---	183,564
Total capital assets being depreciated	2,563,388	24,336	(4,589)	2,583,135
Less: accumulated depreciation	(1,679,265)	(60,026)	2,226	(1,737,065)
Total capital assets, being depreciated, net	884,123	(35,690)	(2,363)	846,070
Business-type activities capital assets, net	<u>\$ 971,359</u>	<u>\$ (35,690)</u>	<u>\$ (2,363)</u>	<u>\$ 933,306</u>

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, 2014, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Water utility (tax equivalent)	\$ 472,392
General	Environmental TIF district	59,861
General	TIF No. 5	131,753
General	Block grant fund	873
General	Facade grant fund	18,074
Revolving capital projects	General	150,271
		<u>\$ 833,224</u>

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Infrastructure capital projects	\$ 1,035,002
General	Water utility	277,278
General	Sewer utility	660,506
TIF No. 3 debt service	Environmental TIF district	1,771,462
		<u>\$ 3,744,248</u>

The advance by the TIF No. 3 debt service fund to the environmental TIF fund, and by the general fund to the infrastructure fund will be paid upon the securing of financing by the funds. The advances by the general fund and the water and sewer utilities will be repaid by future revenue generated by rate increases.

**Note 4 - Detailed Notes on All Funds - Continued**

**D. Interfund Receivables, Payables and Transfers - Continued**

<u>Interfund Transfers:</u>	<u>Transfers In</u>				
	<u>General Fund</u>	<u>Debt Service</u>	<u>Park Development</u>	<u>Revolving Capital Projects</u>	<u>Totals</u>
Transfers Out:					
General fund	\$ ---	\$ ---	\$ 25,000	\$ ---	\$ 25,000
Library operations	---	---	---	5,000	5,000
Derozier fund	2,702	---	---	---	2,702
TIF No. 3 debt service fund	---	10,000	---	---	10,000
TIF No. 3 loan fund	---	25,238	---	---	25,238
Environmental TIF fund	---	30,000	---	---	30,000
Risk financing internal service	300,000	---	---	---	300,000
<b>Total</b>	<b>\$ 302,702</b>	<b>\$ 65,238</b>	<b>\$ 25,000</b>	<b>\$ 5,000</b>	<b>\$ 97,940</b>

**E. Long-Term Obligations**

Outstanding debt and other long-term obligations of the city at December 31, 2014 follows:

<u>Issue</u>	<u>Interest Rate(s)</u>	<u>Original Principal</u>	<u>Outstanding Principal At 12/31/14</u>		<u>Purpose</u>
			<u>General</u>	<u>Proprietary</u>	
<u>General obligation debt:</u>					
2007 refunding bonds	4.1%-4.375%	1,500,000	\$ 1,500,000	\$ ---	Infrastructure
2010 refunding bonds	2.0%-2.375%	4,290,000	1,275,000	---	TIF 3,4 & various
2011 refunding bonds	2.0%-3.0%	9,120,000	5,680,000	---	Riverfront & sewer
2012 street bonds	2.0%-2.8%	3,155,000	3,155,000	---	Infrastructure
2012 refunding bonds	2.0%-3.0%	1,460,000	1,000,000	---	Pension, ER TIF, various
2014 refunding bonds	0.4%-3.2%	6,200,000	4,540,000	1,660,000	TIF 3, ERTIF, water, sewer
<b>Total bonds and notes</b>			<b>17,150,000</b>	<b>1,660,000</b>	
<u>Other long-term obligations:</u>					
2000 tax increment rev. bonds	0%	1,500,000	4,007	---	Fitness Center
2005 revenue lease bonds	3.5-4.25%	11,810,000	6,900,000	---	Riverfront
Developer revenue agreement	0%	2,000,000	714,398	---	TIF no. 3
2013 energy lease purchase	2.698%	1,147,507	1,147,507	---	Energy conservation
2013 equipment lease purchase	2.15%	342,149	---	276,599	Sewer vector
2014 equipment lease purchase	2.581%	147,220	116,256	---	DPW chipper truck
Compensated absences (Note 5B.)			290,329	72,998	
<b>Total other long-term obligations</b>			<b>9,172,497</b>	<b>349,597</b>	
<u>Utility revenue debt:</u>					
2008 CWF bonds (1)	2.569%	4,465,837	---	3,384,186	Sewer
2008 CWF bonds (2)	2.365%	926,948	---	677,338	Sewer
2011 refunding bonds	2.0%-3.5%	2,050,000	---	1,600,000	Water
2012 CWF bonds	2.625%	7,439,911	---	7,140,696	Sewer
2012 CWF water bonds	2.2%	2,044,276	---	1,813,803	Water
<b>Total utility revenue debt</b>			<b>---</b>	<b>14,616,023</b>	
<b>Total Long-Term Obligations</b>			<b>\$26,322,497</b>	<b>\$16,625,620</b>	

**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	
2015	\$ 2,040,000	\$ 434,500	\$ 60,000	\$ 36,597	\$ 2,571,097
2016	2,165,000	393,092	65,000	36,316	2,659,408
2017	1,620,000	356,436	65,000	35,926	2,077,362
2018	1,435,000	321,620	60,000	35,398	1,852,018
2019	1,580,000	290,164	65,000	34,691	1,969,855
2020-2024	4,115,000	928,815	505,000	150,915	5,699,730
2025-2029	2,880,000	436,891	685,000	77,691	4,079,582
2030-2032	1,315,000	82,386	155,000	2,480	1,554,866
	<u>\$ 17,150,000</u>	<u>\$ 3,243,904</u>	<u>\$ 1,660,000</u>	<u>\$ 410,014</u>	<u>\$ 22,463,918</u>

General city and proprietary fund indebtedness represented by general obligation notes totaled \$18,810,000 on December 31, 2014. The city's full faith and credit back these general obligation notes. Transactions for 2014 are summarized as follows:

Balance - January 1, 2014	\$ 21,380,000
Proceeds from refunding bonds	6,200,000
Principal reductions	(2,670,000)
Refunded principal payment	<u>(6,100,000)</u>
Balance - December 31, 2014	<u>\$ 18,810,000</u>

B. Community development revenue lease bonds

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

Year Ended December 31,	Community Development Long-Term Debt		
	Principal	Interest	Totals
2015	\$ 1,100,000	\$ 262,525	\$ 1,362,525
2016	1,150,000	218,900	1,368,900
2017	1,150,000	172,325	1,322,325
2018	1,150,000	124,313	1,274,313
2019	1,175,000	74,906	1,249,906
2020	1,175,000	24,969	1,199,969
	<u>\$ 6,900,000</u>	<u>\$ 877,938</u>	<u>\$ 7,777,938</u>

Community development indebtedness represented by the lease revenue bonds totaled \$6,900,000 on December 31, 2014. These bonds were issued to finance the riverfront improvement project. Transactions for 2014 are summarized as follows:

Balance - January 1, 2014	\$ 8,000,000
Principal reductions	<u>(1,100,000)</u>
Balance - December 31, 2014	<u>\$ 6,900,000</u>

**Note 4 - Detailed Notes on All Funds - Continued**

**E. Long-Term Obligations - Continued**

C. Tax increment project revenue bonds

Annual estimated debt service requirements to maturity of tax increment project revenue bonds are as follows:

Year Ended December 31,	Community Development Long-Term Debt		
	Principal	Interest	Totals
2015	4,007	---	4,007

Tax increment indebtedness represented by the revenue bonds totaled \$4,007 on December 31, 2014. These bonds were issued for the various developer and construction agreements. Transactions for 2014 are summarized as follows:

Balance - January 1, 2014	\$ 116,338
Principal reductions	<u>(112,331)</u>
Balance - December 31, 2014	<u>\$ 4,007</u>

D. Utility revenue debt

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

Year Ended December 31,	Principal	Interest	Totals
2015	\$ 833,595	\$ 368,739	\$ 1,202,334
2016	855,142	347,398	1,202,540
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 - 2024	4,545,604	1,008,410	5,554,014
2025 - 2029	4,000,162	455,496	4,455,658
2030 - 2032	1,682,556	62,581	1,745,137
Totals	<u>\$ 14,616,023</u>	<u>\$ 3,145,615</u>	<u>\$ 17,761,638</u>

Proprietary fund indebtedness represented by revenue bonds totaled \$14,616,023 on December 31, 2014. 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 2014 are summarized as follows:

Balance - January 1, 2014	\$ 15,058,579
Loan proceeds	361,761
Principal reductions	<u>(804,317)</u>
Balance - December 31, 2014	<u>\$ 14,616,023</u>

**Note 4 - Detailed Notes on All Funds - Continued**

**E. Long-Term Obligations - Continued**

E. Lease purchase agreements

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ 157,843	\$ 39,343	\$ 197,186
2016	161,723	35,463	197,186
2017	165,699	31,487	197,186
2018	169,776	27,410	197,186
2019	70,082	23,234	93,316
2020 - 2024	380,197	86,383	466,580
2025 - 2029	435,042	31,538	466,580
Totals	<u>\$ 1,540,362</u>	<u>\$ 274,858</u>	<u>\$ 1,815,220</u>

Lease purchase agreement balances total \$1,540,362 on December 31, 2014. The debt is pledged by the assets acquired, the city's full faith and credit do not back the agreement. Transactions for 2014 are summarized as follows:

Balance - January 1, 2014	\$ 1,489,656
Proceeds	147,220
Principal reductions	<u>(96,514)</u>
Balance - December 31, 2014	<u>\$ 1,540,362</u>

F. 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, 2014:

Equalized Value - 2014	<u>\$ 807,245,600</u>
Margin of Indebtedness:	
5% of Equalized Value	40,362,280
Outstanding General Obligation Debt - December 31, 2014	<u>18,810,000</u>
Margin of Indebtedness	<u>\$ 21,552,280</u>

G. 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, 2014 totaled \$2,285,000 and \$2,887,500 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 was \$241,728 at December 31, 2014 and is reported as the internal service fund net position. The accounts payable of \$84,143 reported in the fund at December 31, 2014 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, 2014 and 2013 follows:

<u>Year</u>	<u>Beginning Of Year Liability</u>	<u>Incurred Claims</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2014	\$ 76,769	\$ 1,337,774	\$ 1,330,400	\$ 84,143
2013	230,612	1,073,515	1,224,358	79,769

## **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, 2014 that has been recorded in the governmental activities of the statement of net position is \$129,061.

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 3,496 at December 31, 2014. 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, 2014, estimated sick leave termination benefits of \$161,268 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 \$33,605 and \$39,393 of accumulated vacation and sick pay, respectively, has been recorded as a liability in the proprietary funds.

### **C. Employees' Pensions**

All eligible city employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district education support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 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. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

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

## **Note 5 - Other Information - Continued**

### **C. Employees' Pensions - Continued**

Contribution rates for 2014 were:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.0%	7.0%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.0%	10.31%
Protective without Social Security	7.0%	13.91%

The payroll for city employees covered by the WRS for the year ended December 31, 2014 was \$4,351,295; the employer's total payroll was \$4,493,097. The total required contribution for the year ended December 31, 2014 was \$674,154 which consisted of \$369,563, or 8.5% of the covered payroll from the employer and \$304,591 or 7.0% of the covered payroll from employees. Total contributions for the years ending December 31, 2013 and 2012 were \$631,445 and \$551,645, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the three highest years earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation 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.

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

### **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 allocated to E. R. District No. 1 (the recipient).

**Note 5 - Other Information - Continued**

**D. Tax Incremental Financing Districts - Continued**

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

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

	Year Ended	From Date of Creation
Accumulated project expenditures (including interest costs)	\$ 837,384	\$ 59,648,022
Less: tax increments received	4,565,495	43,976,493
Less: intergovernmental revenues	20,583	711,839
Less: special assessments/property sales	---	231,751
Less: rental income	---	2,794
Less: investment income	66,703	2,280,658
Less: city contribution for Wehmhoff Park	---	60,000
Less: increment allocations from TIF district no. 4	---	2,009,000
Less: all other	---	3,000
Total project revenues	<u>4,652,781</u>	<u>49,275,535</u>
Net Costs Recoverable (Recovered)	<u>\$ (3,815,397)</u>	<u>\$ 10,372,487</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.

	Year Ended	From Date of Creation
Accumulated project expenditures (including interest costs)	\$ 85,901	\$ 5,002,623
Less: tax increments received	63,885	158,812
Less: intergovernmental revenues	878	332,065
Less: interest earned on note receivable	76,370	328,641
Less: loan repayments	<u>32,053</u>	<u>94,376</u>
Total project revenues	<u>173,186</u>	<u>913,894</u>
Net Costs Recoverable (Recovered)	<u>\$ (87,285)</u>	<u>\$ 4,088,729</u>

## **Note 5 - Other Information - Continued**

### **E. Utility User Rates**

Water utility user rates currently in place were established by the Wisconsin Public Service Commission effective October 1, 2013. Sewer utility rates currently in place were approved by the city council effective January 1, 2014.

### **F. Litigation and Contingencies**

The city attorney and management are unaware of any pending or threatened litigation against the city that would have a material effect on the financial statements.

### **G. Subsequent Events**

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through June 25, 2015, the date the financial statements were available to be issued; and concluded that the following requires disclosure:

The city issued \$4,215,000 Series 2015A general obligation refunding bonds during April 2015 for the purpose of refinancing previously issued debt.

The city issued \$4,500,000 Series 2015B taxable general obligation promissory notes during April 2015 for the purpose of financing costs associated with the city's TIF No. 5.

The city increased the user rates of its water and sewer utilities by 3% for each utility during January 2015.

### **H. 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, 2014. 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, 2014, the housing authority's deposits totaled \$315,065. The carrying value of those deposits on the housing authority's financial statements was \$306,990. All of the housing authority's deposits at August 31, 2014 were covered by FDIC insurance.

**Note 5 - Other Information - Continued**

**H. Housing Authority - Continued**

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, 2014 consisted of the following:

Reserve account	\$ 193,317
Security deposits	<u>30,569</u>
Totals	<u>\$ 223,886</u>

4. Long-term debt

Long-term debt of the housing authority at August 31, 2014 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 after which time monthly principal and net interest payments of \$1,525 will be due from July 1, 2034 to June 30, 2084. \$ 422,323

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 after which time monthly principal and net interest payments of \$1,206 will be due from July 1, 2034 to June 30, 2084. 333,867

2014 USDA Rural Development loan. This loan was authorized on July 10, 2014 for an amount not to exceed \$1,475,978 with principal payments to commence upon full expenditure of the loan proceeds (expected to be July 2015). Interest is not charged on the loan. Monthly principal payments for the loan will be \$2,460 when it is finalized based on a 50 year amortization. 100,000

Totals	856,190
Less: Current maturities	<u>(4,920)</u>
Net Long-Term Debt	<u>\$ 851,270</u>

## **Note 5 - Other Information - Continued**

### **H. Housing Authority - Continued**

Annual principal and interest payments of the scheduled notes payable (1977 and 1984) to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015 - 2019	\$ ---	\$ ---	\$ ---
2020 - 2029	---	---	---
2030 - 2039	---	---	---
2040 - 2049	77,673	315,591	393,264
2050 - 2059	121,555	271,709	393,264
2060 - 2069	195,306	197,958	393,264
2070 - 2079	296,912	96,352	393,264
2080 - 2084	<u>64,744</u>	<u>3,800</u>	<u>68,544</u>
Total scheduled debt payments	756,190	885,410	1,641,600
Add: payments to be scheduled	<u>100,000</u>	<u>---</u>	<u>100,000</u>
Total notes payable - August 31, 2014	<u>\$ 856,190</u>	<u>\$ 885,410</u>	<u>\$ 1,741,600</u>

Interest expense is calculated at 1% for cash debt service cash flow requirements to maturity assuming that the subsidy from the USDA Rural Development will continue.

**SUPPLEMENTAL INFORMATION**

A two-page combining balance  
sheet follows.

**CITY OF BURLINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2014**

	Special Revenue Funds						
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police Donations	Derozier
<b>Assets</b>							
Cash and investments	\$ 73,737	\$ -	\$ 85,144	\$ 24,883	\$ 118,328	\$ 11,502	\$ -
Taxes receivable	405,500	-	-	-	-	-	-
Account receivable	-	21,120	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Notes receivable	-	760,450	510,625	-	-	-	-
Restricted assets:							
Cash in escrow	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>479,237</b>	<b>781,570</b>	<b>595,769</b>	<b>24,883</b>	<b>118,328</b>	<b>11,502</b>	<b>-</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	11,668	-	-	2,809	-	-	-
Due to other funds	-	873	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>11,668</b>	<b>873</b>	<b>-</b>	<b>2,809</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>							
Deferred revenue	405,500	760,450	510,625	-	-	-	-
<b>Fund Balances</b>							
Permanent				-	-	-	-
Assigned	62,069	20,247	85,144	22,074	118,328	11,502	-
<b>Total Fund Balances</b>	<b>62,069</b>	<b>20,247</b>	<b>85,144</b>	<b>22,074</b>	<b>118,328</b>	<b>11,502</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 479,237</b>	<b>\$ 781,570</b>	<b>\$ 595,769</b>	<b>\$ 24,883</b>	<b>\$ 118,328</b>	<b>\$ 11,502</b>	<b>\$ -</b>

Capital Projects Funds

Wehmhoff	General Debt Service Fund	Energy Improvement	Revolving Capital Projects	Infrastructure	TIF No. 5	Storm Water Management	Facade Grants	Total Nonmajor Funds
\$ 53,802	\$ 79,566	\$ -	\$ 1,399,365	\$ -	\$ -	\$ 13,292	\$ -	\$ 1,859,619
-	200,000	-	-	-	-	-	-	605,500
-	-	-	-	-	-	-	-	21,120
-	-	-	150,271	-	-	-	-	150,271
-	-	-	-	-	-	-	-	1,271,075
-	-	107,781	-	-	-	-	-	107,781
<u>53,802</u>	<u>279,566</u>	<u>107,781</u>	<u>1,549,636</u>	<u>-</u>	<u>-</u>	<u>13,292</u>	<u>-</u>	<u>4,015,366</u>
-	-	-	24,339	-	63,052	-	-	101,868
-	-	-	-	-	131,753	-	18,074	150,700
-	-	-	-	1,035,002	-	-	-	1,035,002
-	-	-	24,339	1,035,002	194,805	-	18,074	1,287,570
-	200,000	-	-	-	-	-	-	1,876,575
50,000	-	-	-	-	-	-	-	50,000
3,802	79,566	107,781	1,525,297	(1,035,002)	(194,805)	13,292	(18,074)	801,221
<u>53,802</u>	<u>79,566</u>	<u>107,781</u>	<u>1,525,297</u>	<u>(1,035,002)</u>	<u>(194,805)</u>	<u>13,292</u>	<u>(18,074)</u>	<u>851,221</u>
<u>\$ 53,802</u>	<u>\$ 279,566</u>	<u>\$ 107,781</u>	<u>\$ 1,549,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,292</u>	<u>\$ -</u>	<u>\$ 4,015,366</u>

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, 2014**

	Special Revenue Funds							
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police Donations	Derozier	Wehmhoff
<b>Revenues</b>								
Taxes	\$ 405,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	275,020	-	-	-	-	-	-	-
Charges for services	21,395	-	-	-	-	-	-	-
Investment income	378	15,114	287	95	558	4	-	1,436
Repayment of note receivable principal	-	31,717	3,453	-	-	-	-	-
All other	3,535	-	-	34,861	31,353	5,843	-	-
<b>Total Revenues</b>	<b>705,828</b>	<b>46,831</b>	<b>3,740</b>	<b>34,956</b>	<b>31,911</b>	<b>5,847</b>	<b>-</b>	<b>1,436</b>
<b>Expenditures</b>								
Public safety	-	-	-	-	-	2,500	-	-
Public works	-	-	-	-	-	-	-	-
Culture, recreation & education	745,119	-	-	31,854	13,404	-	46,997	-
Conservation and development	-	3,227	250,000	-	-	-	-	-
Capital outlay	-	-	-	204,112	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>745,119</b>	<b>3,227</b>	<b>250,000</b>	<b>235,966</b>	<b>13,404</b>	<b>2,500</b>	<b>46,997</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	(39,291)	43,604	(246,260)	(201,010)	18,507	3,347	(46,997)	1,436
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	25,000	-	-	-	-
Transfers out	(5,000)	-	(25,238)	-	-	-	(2,702)	-
Sale of capital assets	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-	-
Equipment lease purchase proceeds	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(5,000)</b>	<b>-</b>	<b>(25,238)</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>(2,702)</b>	<b>-</b>
Net change in fund balances	(44,291)	43,604	(271,498)	(176,010)	18,507	3,347	(49,699)	1,436
Fund balances - beginning	106,360	(23,357)	356,642	198,084	99,821	8,155	49,699	52,366
Fund balances - ending	\$ 62,069	\$ 20,247	\$ 85,144	\$ 22,074	\$ 118,328	\$ 11,502	\$ -	\$ 53,802

Capital Projects Funds

General Debt Service Fund	Energy Improvement	Revolving Capital Projects	Infrastructure	TIF No 5	Storm Water Management	Facade Grants	Total Nonmajor Funds
\$ 460,404	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 1,115,904
-	-	-	-	-	-	-	275,020
-	-	-	14,701	-	-	-	36,096
327	175	3,160	1,184	-	5	-	22,723
-	-	-	-	-	-	-	35,170
-	-	-	-	-	-	-	75,592
<u>460,731</u>	<u>175</u>	<u>253,160</u>	<u>15,885</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>1,560,505</u>
-	-	-	-	-	-	-	2,500
-	-	-	-	194,805	-	-	194,805
-	-	-	-	-	-	-	837,374
-	-	-	-	-	-	2,472	255,699
-	624,778	365,534	505,039	-	-	-	1,699,463
65,656	-	-	-	-	-	-	65,656
4,700,964	-	-	-	-	-	-	4,700,964
191,573	31,345	-	-	-	-	-	222,918
<u>4,958,193</u>	<u>656,123</u>	<u>365,534</u>	<u>505,039</u>	<u>194,805</u>	<u>-</u>	<u>2,472</u>	<u>7,979,379</u>
<u>(4,497,462)</u>	<u>(655,948)</u>	<u>(112,374)</u>	<u>(489,154)</u>	<u>(194,805)</u>	<u>5</u>	<u>(2,472)</u>	<u>(6,418,874)</u>
65,238	-	5,000	-	-	-	-	95,238
-	-	-	-	-	-	-	(32,940)
-	-	21,162	-	-	-	-	21,162
4,540,000	-	-	-	-	-	-	4,540,000
(28,210)	-	-	-	-	-	-	(28,210)
-	-	147,220	-	-	-	-	147,220
<u>4,577,028</u>	<u>-</u>	<u>173,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,742,470</u>
79,566	(655,948)	61,008	(489,154)	(194,805)	5	(2,472)	(1,676,404)
-	763,729	1,464,289	(545,848)	-	13,287	(15,602)	2,527,625
<u>\$ 79,566</u>	<u>\$ 107,781</u>	<u>\$ 1,525,297</u>	<u>\$ (1,035,002)</u>	<u>\$ (194,805)</u>	<u>\$ 13,292</u>	<u>\$ (18,074)</u>	<u>\$ 851,221</u>

**CITY OF BURLINGTON**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b><u>Taxes</u></b>			
General property taxes	\$ 4,416,593	\$ 4,414,015	\$ (2,578)
Payments in lieu of taxes	32,000	35,321	3,321
Room tax	102,000	108,736	6,736
Interest on personal property taxes	150	234	84
<b>Total Taxes</b>	<b>4,550,743</b>	<b>4,558,306</b>	<b>7,563</b>
<b><u>Intergovernmental</u></b>			
Shared taxes from state	653,000	653,659	659
Exempt computer aid	17,534	15,801	(1,733)
Fire insurance from state	31,000	36,011	5,011
Municipal services	1,813	1,812	(1)
General transportation aid	546,929	546,811	(118)
Connecting streets	2,807	2,793	(14)
LRIP and other transportation aid	-	15,924	15,924
Recycling grants	30,311	30,277	(34)
Clean sweep grant	15,000	13,301	(1,699)
State historical society reimbursement	-	1,099	1,099
State aid for police training	-	3,200	3,200
Safety aid	2,500	9,729	7,229
WEDC development grant	-	96,000	96,000
Forestry grant	-	22,998	22,998
DNR aid in lieu of tax	681	679	(2)
Other intergovernmental revenue	24,300	1,600	(22,700)
<b>Total Intergovernmental</b>	<b>1,325,875</b>	<b>1,451,694</b>	<b>125,819</b>
<b><u>Licenses and Permits</u></b>			
Business and occupational licenses	44,220	34,269	(9,951)
Weights and measures	7,100	7,405	305
Wisconsin cable TV licenses	130,000	129,674	(326)
Parking permits	700	415	(285)
Cell tower permit	47,000	56,473	9,473
Building and electrical permits	74,400	153,874	79,474
Right of way and zoning permits	6,800	11,130	4,330
<b>Total Licenses and Permits</b>	<b>310,220</b>	<b>393,240</b>	<b>83,020</b>
<b><u>Fines and Forfeitures</u></b>			
Court penalty costs	140,000	124,452	(15,548)
Parking violations	61,000	50,670	(10,330)
<b>Total Fines and Forfeitures</b>	<b>\$ 201,000</b>	<b>\$ 175,122</b>	<b>\$ (25,878)</b>

**CITY OF BURLINGTON**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b><u>Charges for Services</u></b>			
Clerk's revenue	\$ 7,500	\$ 6,205	\$ (1,295)
Police department	5,100	7,065	1,965
Fire department	12,500	15,216	2,716
Street department	10,000	17,292	7,292
Zoning and developer fees	50,000	36,448	(13,552)
Park revenue	18,000	22,234	4,234
Total Charges for Services	<u>103,100</u>	<u>104,460</u>	<u>1,360</u>
<b><u>Special Assessments</u></b>			
Sidewalks and all other	<u>14,000</u>	<u>36,706</u>	<u>22,706</u>
<b><u>Interest</u></b>			
Investment earnings	10,000	11,627	1,627
Interest on special assessments	<u>250</u>	<u>2,559</u>	<u>2,309</u>
Total interest	<u>10,250</u>	<u>14,186</u>	<u>3,936</u>
<b><u>Other</u></b>			
Lease of city property	14,700	16,100	1,400
Insurance recoveries	20,000	27,069	7,069
Miscellaneous	<u>2,600</u>	<u>17</u>	<u>(2,583)</u>
Total Other	<u>37,300</u>	<u>43,186</u>	<u>5,886</u>
Total Revenues	<u><u>\$ 6,552,488</u></u>	<u><u>\$ 6,776,900</u></u>	<u><u>\$ 224,412</u></u>

**CITY OF BURLINGTON**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b><u>General Government</u></b>			
Mayor and city council	\$ 55,023	\$ 35,317	\$ 19,706
Municipal court	56,061	53,883	2,178
Administration	361,494	347,326	14,168
Finance - treasurer	181,932	195,309	(13,377)
City clerk	53,640	48,804	4,836
Elections	17,051	21,108	(4,057)
Assessor and board of review	50,000	55,142	(5,142)
City attorney	92,000	86,076	5,924
Total General Government	<u>867,201</u>	<u>842,965</u>	<u>24,236</u>
<b><u>Public Safety</u></b>			
Police department	2,855,145	2,853,964	1,181
Fire department	741,980	686,433	55,547
Building inspector	117,070	130,127	(13,057)
Total Public Safety	<u>3,714,195</u>	<u>3,670,524</u>	<u>43,671</u>
<b><u>Public Works</u></b>			
Street administration and maintenance	1,101,761	1,157,660	(55,899)
Street lighting	278,000	285,756	(7,756)
Sidewalks, curb and gutters	50,500	35,490	15,010
Storm sewers	7,900	3,867	4,033
Garbage collection	392,305	389,870	2,435
Recycling	152,563	153,151	(588)
Landfill	24,238	23,526	712
Clean sweep	7,000	18,107	(11,107)
Total Public Works	<u>2,014,267</u>	<u>2,067,427</u>	<u>(53,160)</u>
<b><u>Health and Human Services</u></b>			
Health officer	76,000	62,475	13,525
Cemetery	-	4,616	(4,616)
Animal shelter	6,800	10,331	(3,531)
Total Health and Human Services	<u>\$ 82,800</u>	<u>\$ 77,422</u>	<u>\$ 5,378</u>

**CITY OF BURLINGTON**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b><u>Culture, Recreation and Education</u></b>			
Historical society	\$ 1,000	\$ 1,000	\$ -
Senior citizens	2,600	2,512	88
Celebrations and festivals	-	15,346	(15,346)
Swimming pool	-	25,000	(25,000)
Parks and forestry	612,689	594,046	18,643
Total Culture, Recreation and Education	<u>616,289</u>	<u>637,904</u>	<u>(21,615)</u>
<b><u>Conservation and Development</u></b>			
Economic development	115,000	249,596	(134,596)
Planning commission	63,500	82,391	(18,891)
Town annexation revenue sharing	43,686	43,686	-
Total Conservation and Development	<u>222,186</u>	<u>375,673</u>	<u>(153,487)</u>
Total Expenditures	<u><u>\$ 7,516,938</u></u>	<u><u>\$ 7,671,915</u></u>	<u><u>\$ (154,977)</u></u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

The following is a summary of the bonds and notes payable of the city as of December 31, 2014.

<b><u>General Obligation Debt</u></b>	<u>Original Principal</u>	<u>Outstanding Principal 12/31/2014</u>
2007 refunding bonds	\$ 1,500,000	\$ 1,500,000
2010 refunding bonds	4,290,000	1,275,000
2011 refunding bonds	9,120,000	5,680,000
2012 street bonds	3,155,000	3,155,000
2012 refunding bonds	1,460,000	1,000,000
2014A refunding bonds	6,200,000	6,200,000
		<u>\$ 18,810,000</u>

**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%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2015	\$ -	\$ 31,988	\$ 31,988
October 1, 2015	-	31,988	31,988
April 1, 2016	-	31,988	31,988
October 1, 2016	-	31,988	31,988
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
	<u>\$ 1,500,000</u>	<u>\$ 505,438</u>	<u>\$ 2,005,438</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**2010 Refunding Bonds**

The proceeds from this issue were used to advance refund previously issued debt used for TIF No. 3, TIF No. 4 and general capital projects. Interest is charged at rates of 2.0% to 2.375%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2015	\$ 595,000	\$ 14,025	\$ 609,025
November 1, 2015	-	8,075	8,075
May 1, 2016	680,000	8,075	688,075
	<u>\$ 1,275,000</u>	<u>\$ 30,175</u>	<u>\$ 1,305,175</u>

**2011 General Obligation Refunding Bonds**

The proceeds from this issue were used to refund 2001 bonds issued for TIF No. 3 purposes and 2004 bonds issued for sewer purposes. The bonds are attributed 80.8% to TIF No. 3 and 19.2% to the sewer utility. Interest is charged at rates of 2.0% to 3.0%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2015	\$ 845,000	\$ 71,403	\$ 916,403
October 1, 2015	-	62,953	62,953
April 1, 2016	875,000	62,953	937,953
October 1, 2016	-	53,657	53,657
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>\$ 5,680,000</u>	<u>\$ 489,373</u>	<u>\$ 6,169,373</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**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%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2015	\$ 50,000	\$ 38,418	\$ 88,418
October 1, 2015	-	37,917	37,917
April 1, 2016	50,000	37,917	87,917
October 1, 2016	-	37,417	37,417
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>\$ 3,155,000</u>	<u>\$ 929,286</u>	<u>\$ 4,084,286</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**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%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2015	\$ 145,000	\$ 7,685	\$ 152,685
October 1, 2015	-	7,069	7,069
April 1, 2016	145,000	7,069	152,069
October 1, 2016	-	6,307	6,307
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>\$ 1,000,000</u>	<u>\$ 64,001</u>	<u>\$ 1,064,001</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**2014 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%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2015	\$ 465,000	\$ 60,468	\$ 525,468
November 1, 2015	-	59,538	59,538
May 1, 2016	480,000	59,538	539,538
November 1, 2016	-	58,338	58,338
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>\$ 6,200,000</u>	<u>\$ 1,284,532</u>	<u>\$ 7,484,532</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

<b><u>Other Long-Term Obligations</u></b>	Original Principal	Outstanding Principal 12/31/2014
2005 community development lease revenue refunding bonds	\$ 11,810,000	\$ 6,900,000
2013 vactor lease/purchase - U.S. Bancorp	342,149	276,599
2013 energy conservation program lease/purchase - U.S. Bancorp	1,147,507	1,147,507
		\$ 8,324,106

**2005 Community Development Lease Revenue Refunding Bonds**

The proceeds from this issue were used to partially refund the TIF 3 - 2000 Community Development bonds. Interest is charged at rates of 2.70% to 4.25%

	Principal	Interest	Total
April 1, 2015	\$ 1,100,000	\$ 141,575	\$ 1,241,575
October 1, 2015	-	120,950	120,950
April 1, 2016	1,150,000	120,950	1,270,950
October 1, 2016	-	97,950	97,950
April 1, 2017	1,150,000	97,950	1,247,950
October 1, 2017	-	74,375	74,375
April 1, 2018	1,150,000	74,375	1,224,375
October 1, 2018	-	49,938	49,938
April 1, 2019	1,175,000	49,937	1,224,937
October 1, 2019	-	24,969	24,969
April 1, 2020	1,175,000	24,969	1,199,969
	\$ 6,900,000	\$ 877,938	\$ 7,777,938

**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, 2015	\$ 66,959	\$ 5,947	\$ 72,906
December 5, 2016	68,399	4,507	72,906
December 5, 2017	69,869	3,037	72,906
December 5, 2018	71,372	1,535	72,907
	\$ 276,599	\$ 15,026	\$ 291,625

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
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**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%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
February 15, 2015	\$ 15,572	\$ 7,757	\$ 23,329
May 15, 2015	15,677	7,652	23,329
August 15, 2015	15,783	7,546	23,329
November 15, 2015	15,889	7,440	23,329
February 15, 2016	15,997	7,332	23,329
May 15, 2016	16,105	7,224	23,329
August 15, 2016	16,214	7,115	23,329
November 15, 2016	16,324	7,005	23,329
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
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
Balance carried forward	<u>\$ 652,119</u>	<u>\$ 211,054</u>	<u>\$ 863,173</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**2013 Energy Conservation Program Lease/Purchase - Continued**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Balance brought forward	\$ 652,119	\$ 211,054	\$ 863,173
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	23,173	156	23,329
	<u>\$ 1,147,507</u>	<u>\$ 252,233</u>	<u>\$ 1,399,740</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

<b><u>Utility Revenue Debt</u></b>	<b>Original Principal</b>	<b>Outstanding Principal 12/31/2014</b>
2008 sewer revenue bonds - Clean Water Fund (No. 5096-02)	\$ 4,465,837	\$ 3,384,186
2008 sewer revenue bonds - Clean Water Fund (No. 5096-04)	926,948	677,338
2011 water revenue refunding bonds	2,050,000	1,600,000
2012 water revenue bonds - Clean Water Fund (No. 5475-01)	2,044,276	1,813,803
2012 sewer revenue bonds - Clean Water Fund (No. 5096-09)	7,439,911	7,140,696
		<b>\$ 14,616,023</b>

**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%.

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
May 1, 2015	\$ 203,917	\$ 43,470	\$ 247,387
November 1, 2015	-	40,851	40,851
May 1, 2016	209,156	40,851	250,007
November 1, 2016	-	38,164	38,164
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
	<b>\$ 3,384,186</b>	<b>\$ 644,338</b>	<b>\$ 4,028,524</b>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**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%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2015	\$ 45,112	\$ 8,010	\$ 53,122
November 1, 2015	-	7,476	7,476
May 1, 2016	46,179	7,476	53,655
November 1, 2016	-	6,930	6,930
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>\$ 677,338</u>	<u>\$ 109,358</u>	<u>\$ 786,696</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**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%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2015	\$ 180,000	\$ 24,248	\$ 204,248
November 1, 2015	-	22,449	22,449
May 1, 2016	185,000	22,449	207,449
November 1, 2016	-	19,674	19,674
May 1, 2017	190,000	19,674	209,674
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>\$ 1,600,000</u>	<u>\$ 214,688</u>	<u>\$ 1,814,688</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**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, 2015	\$ 89,139	\$ 19,952	\$ 109,091
November 1, 2015	-	18,971	18,971
May 1, 2016	91,100	18,971	110,071
November 1, 2016	-	17,969	17,969
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>\$ 1,813,803</u>	<u>\$ 359,974</u>	<u>\$ 2,173,777</u>

**CITY OF BURLINGTON**  
**LONG-TERM DEBT SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**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%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2015	\$ 315,427	\$ 93,731	\$ 409,158
November 1, 2015	-	89,582	89,582
May 1, 2016	323,707	89,582	413,289
November 1, 2016	-	85,333	85,333
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>\$ 7,140,696</u>	<u>\$ 1,817,257</u>	<u>\$ 8,957,953</u>