

CITY OF BURLINGTON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2008

CITY OF BURLINGTON
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For the Year Ended December 31, 2008

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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, each major fund, and the aggregate remaining fund information of the City of Burlington, as of and for the year ended December 31, 2008, which collectively comprise the City of Burlington's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Burlington's management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the housing authority component unit, which represent 100% of the assets and revenues of the component unit columns. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for the housing authority component unit, is based on the report of the other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

The City of Burlington has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington at December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary information for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 combining financial statements, detailed general fund budget and actual schedules, and long-term debt individual repayment schedules are presented for purposes of additional analysis and are not a required part of the of the basic financial statements. The combining financial statements, detailed general fund budget and actual schedules, and long-term debt individual repayment schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Patrick W. Romenesko, S.C.

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

Lake Geneva, Wisconsin
May 28, 2009

CITY OF BURLINGTON
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		Housing Authority
ASSETS				
Cash and investments	\$ 7,034,864	\$ 1,668,216	\$ 8,703,080	\$ 8,724
Receivables:				
2008 tax levy	9,267,253	14,690	9,281,943	-
Delinquent personal property tax (net of allowance for uncollectibles)	392	-	392	-
Accounts and other	14,221	989,037	1,003,258	4,415
Special assessments	94,146	335,933	430,079	-
Internal balances	596,419	(596,419)	-	-
Inventories	-	51,786	51,786	-
Prepaid items	5,167	-	5,167	7,522
Restricted assets:				
Cash and investments	3,110,430	880,914	3,991,344	166,303
Unamortized debt issuance costs	444,079	62,488	506,567	-
Deferred special assessments	53,010	-	53,010	-
Notes receivable	727,766	-	727,766	-
Capital assets (net of accumulated depreciation):				
Land and land rights	21,097,691	1,173,333	22,271,024	87,236
Buildings and improvements	3,516,496	18,353,136	21,869,632	2,147,508
Land improvements and other structures	2,990,155	-	2,990,155	120,246
Machinery and equipment	4,642,630	7,734,746	12,377,376	141,626
Infrastructure	34,128,319	30,798,519	64,926,838	-
Construction in progress	350,000	2,416,463	2,766,463	-
Less: accumulated depreciation	(19,125,193)	(20,988,456)	(40,113,649)	(1,369,185)
Total assets	<u>68,947,845</u>	<u>42,894,386</u>	<u>111,842,231</u>	<u>1,314,395</u>
LIABILITIES				
Accounts payable and other current liabilities	486,666	554,834	1,041,500	38,163
Accrued interest payable	317,357	-	317,357	701
Deposits held	20,927	3,000	23,927	39,227
Deferred revenue	9,557,911	14,690	9,572,601	-
Liabilities payable from restricted assets:				
Accrued interest payable	-	75,955	75,955	-
Non-current liabilities:				
Compensated absences, due in more than one year	418,423	103,174	521,597	-
Bonds payable, due within one year	2,134,826	1,709,575	3,844,401	44,063
Bonds payable, due in more than one year	28,986,140	9,924,846	38,910,986	979,514
Total liabilities	<u>41,922,250</u>	<u>12,386,074</u>	<u>54,308,324</u>	<u>1,101,668</u>
NET ASSETS				
Invested in capital assets, net of related debt	16,923,211	27,885,230	44,808,441	103,854
Restricted for debt service	3,110,430	880,914	3,991,344	127,076
Unrestricted	6,991,954	1,742,168	8,734,122	(18,203)
Total net assets	<u>\$ 27,025,595</u>	<u>\$ 30,508,312</u>	<u>\$ 57,533,907</u>	<u>\$ 212,727</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, 2008

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 689,016	\$ 50,367	\$ -	\$ -
Public safety	3,872,374	399,078	57,042	-
Public works	2,869,441	17,916	731,400	7,151
Health and human services	75,641	-	-	-
Culture, recreation and education	1,364,662	49,537	352,915	2,418
Conservation and development	334,495	-	-	-
Interest on long-term debt	1,435,887	-	-	-
Total governmental activities	10,641,516	516,898	1,141,357	9,569
Business-type activities:				
Water	1,443,106	1,711,029	177,682	-
Sewer	3,073,862	3,336,569	107,584	-
Airport	812,518	831,439	-	-
Total business-type activities	5,329,487	5,879,037	285,266	-
Total primary government	15,971,003	6,395,935	1,426,623	9,569
Component unit:				
Housing authority	\$ 324,044	\$ 333,195	\$ -	\$ -

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 (loss) on sale of assets

Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning (as restated)

Net assets - ending

See accompanying notes to financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Authority
\$ (638,649)	\$ -	\$ (638,649)	\$ -
(3,416,254)	-	(3,416,254)	-
(2,112,974)	-	(2,112,974)	-
(75,641)	-	(75,641)	-
(959,792)	-	(959,792)	-
(334,495)	-	(334,495)	-
(1,435,887)	-	(1,435,887)	-
<u>(8,973,692)</u>	<u>-</u>	<u>(8,973,692)</u>	<u>-</u>
-	445,605	445,605	-
-	370,291	370,291	-
<u>-</u>	<u>18,921</u>	<u>18,921</u>	<u>-</u>
<u>-</u>	<u>834,816</u>	<u>834,816</u>	<u>-</u>
<u>(8,973,692)</u>	<u>834,816</u>	<u>(8,138,876)</u>	<u>-</u>
			<u>9,151</u>
9,177,658	-	9,177,658	-
104,494	-	104,494	-
25,876	-	25,876	-
26,201	-	26,201	-
1,020	-	1,020	-
842,602	-	842,602	-
46,648	-	46,648	-
(376,850)	-	(376,850)	-
363,877	48,201	412,078	4,879
281,468	(281,468)	-	-
<u>10,492,994</u>	<u>(233,267)</u>	<u>10,259,727</u>	<u>4,879</u>
1,519,303	601,549	2,120,852	14,030
<u>25,506,292</u>	<u>29,906,763</u>	<u>55,413,055</u>	<u>198,697</u>
<u>\$ 27,025,595</u>	<u>\$ 30,508,312</u>	<u>\$ 57,533,907</u>	<u>\$ 212,727</u>

A two-page balance sheet - governmental funds follows.

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General Fund	TIF No. 3 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 2,370,539	\$ -	\$ 4,076,395	\$ 6,446,934
Receivables:				
2008 tax levy	4,560,530	3,436,688	1,270,035	9,267,253
Delinquent personal property	392	-	-	392
Accounts and other	4,024	-	10,197	14,221
Special assessments	5,564	-	88,582	94,146
Due from other funds	596,419	-	-	596,419
Prepaid items	5,167	-	-	5,167
Restricted assets:				
Cash and investments	-	3,110,430	-	3,110,430
Advances to other funds	1,511,413	-	-	1,511,413
Deferred special assessments	53,010	-	-	53,010
Notes receivable	-	-	727,766	727,766
Total assets	<u>9,107,058</u>	<u>6,547,118</u>	<u>6,172,975</u>	<u>21,827,151</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	233,441	70	47,306	280,817
Accrued payroll	46,977	-	11,016	57,993
Deposits held	20,927	-	-	20,927
Advances from other funds	-	1,511,413	-	1,511,413
Deferred revenue	6,362,602	3,436,688	2,086,383	11,885,673
Deferred special assessments	64,909	-	-	64,909
Total liabilities	<u>6,728,856</u>	<u>4,948,171</u>	<u>2,144,705</u>	<u>13,821,732</u>

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General Fund	TIF No. 3 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Reserved for:				
Delinquent taxes receivable	392	-	-	392
Prepaid expenditures	5,167	-	-	5,167
Debt service	-	1,598,947	(51,322)	1,547,625
Permanent funds	-	-	54,293	54,293
Unreserved and designated, reported in:				
General fund	2,372,643	-	-	2,372,643
Special revenue funds	-	-	1,194,677	1,194,677
Capital projects funds	-	-	2,830,622	2,830,622
Total fund balances	2,378,202	1,598,947	4,028,270	8,005,419
Total liabilities and fund balances	\$ 9,107,058	\$ 6,547,118	\$ 6,172,975	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	47,600,098
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,392,671
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 assets.	440,074
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(31,412,667)
Net assets of governmental activities	\$ 27,025,595

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, 2008

<u>REVENUES</u>	General Fund	TIF No. 3 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Taxes:				
General property taxes	\$ 4,417,050	\$ 3,519,155	\$ 1,241,453	\$ 9,177,658
Payments in lieu of taxes	26,201	-	-	26,201
Occupational taxes	881	-	-	881
Room tax	25,876	-	-	25,876
Other taxes	139	-	-	139
Intergovernmental	1,597,796	22,269	330,112	1,950,177
Licenses and permits	366,666	-	-	366,666
Fines and forfeitures	195,251	-	-	195,251
Charges for services	40,302	-	33,026	73,328
Special assessments	14,802	-	14,040	28,842
Investment earnings	96,020	132,055	135,802	363,877
TIF repayment of deferred advance	430,000	-	-	430,000
Repayments of note receivable principal	-	-	116,417	116,417
Other	21,927	-	37,804	59,731
Total revenues	<u>7,232,911</u>	<u>3,673,479</u>	<u>1,908,654</u>	<u>12,815,044</u>
<u>EXPENDITURES</u>				
Current:				
General government	660,453	3,547	4,083	668,083
Public safety	3,628,311	-	8,455	3,636,766
Public works	1,636,792	-	-	1,636,792
Health and human services	75,641	-	-	75,641
Culture, recreation and education	480,182	-	718,036	1,198,218
Conservation and development	158,044	2,487	173,964	334,495
Capital outlay	-	-	1,001,811	1,001,811
Debt service:				
Principal	-	1,550,520	346,249	1,896,769
Interest and fiscal charges	-	1,159,343	172,621	1,331,964
Interest on general fund advances	-	79,146	-	79,146
Total expenditures	<u>6,639,423</u>	<u>2,795,043</u>	<u>2,425,219</u>	<u>11,859,685</u>
Excess (deficiency) of revenues over (under) expenditures	<u>593,488</u>	<u>878,436</u>	<u>(516,565)</u>	<u>955,359</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	6,900	1,118,453	1,296,443	2,421,796
Transfers out	(801,832)	-	(1,604,104)	(2,405,936)
Water utility tax equivalent	265,608	-	-	265,608
Sale of capital assets	77,805	-	462,974	540,779
Debt service reimbursements	-	-	12,704	12,704
Total other financing sources and uses	<u>(451,519)</u>	<u>1,118,453</u>	<u>168,017</u>	<u>834,951</u>
Net change in fund balances	141,969	1,996,889	(348,548)	1,790,310
Fund balances - beginning	<u>2,236,233</u>	<u>(397,942)</u>	<u>4,376,818</u>	<u>6,215,109</u>
Fund balances - ending	<u>\$ 2,378,202</u>	<u>\$ 1,598,947</u>	<u>\$ 4,028,270</u>	<u>\$ 8,005,419</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

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)	\$ 1,790,310
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	
Certain capital outlay costs that are recorded as capital assets in the government-wide financial statements	1,001,811
Depreciation expense is recorded in the government-wide statements	(1,609,514)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(917,629)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	54,015
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.	(546,417)
<p>The issuance of long-term debt (e.g. bonds, leases) 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Principal payments on long-term debt	1,896,769
Amortization of debt issuance costs, discounts and refunding costs	(121,985)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Changes in interest accrued on long-term debt	18,061
Changes in compensated absences	(26,227)
The net revenue of certain activities of internal service funds is reported with governmental activities.	(19,892)
Change in net assets of governmental activities (Pages 4 - 5)	\$ 1,519,303

See accompanying notes to financial statements.

CITY OF BURLINGTON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget</u>
<u>REVENUES</u>			
Taxes:			
General property taxes	\$ 4,417,028	\$ 4,417,050	\$ 22
Payments in lieu of taxes	25,263	26,201	938
Occupational tax	881	881	-
Room tax	21,165	25,876	4,711
Other taxes	-	139	139
Intergovernmental	1,576,991	1,597,796	20,805
Licenses and permits	307,810	366,666	58,856
Fines and forfeitures	225,000	195,251	(29,749)
Charges for services	29,000	40,302	11,302
Special assessments	15,000	14,802	(198)
Investment income	55,238	96,020	40,782
TIF reimbursement for deferred advance	430,000	430,000	-
Other	15,704	21,927	6,223
Total revenues	<u>7,119,080</u>	<u>7,232,911</u>	<u>113,831</u>
<u>EXPENDITURES</u>			
Current:			
General government	746,420	660,453	85,967
Public safety	3,764,746	3,628,311	136,435
Public works	1,498,358	1,636,792	(138,434)
Health and human services	66,471	75,641	(9,170)
Culture, recreation and education	476,121	480,182	(4,061)
Conservation and development	113,440	158,044	(44,604)
Capital outlay	45,000	-	45,000
Total expenditures	<u>6,710,556</u>	<u>6,639,423</u>	<u>71,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>408,524</u>	<u>593,488</u>	<u>184,964</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	6,900	6,900	-
Transfers out	(1,038,611)	(801,832)	236,779
Water utility tax equivalent	221,905	265,608	43,703
Sale of capital assets	-	77,805	77,805
Total other financing sources and uses	<u>(809,806)</u>	<u>(451,519)</u>	<u>358,287</u>
Net change in fund balances	(401,282)	141,969	543,251
Fund balances - beginning	<u>2,236,233</u>	<u>2,236,233</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,834,951</u>	<u>\$ 2,378,202</u>	<u>\$ 543,251</u>

See accompanying notes to financial statements.

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

CITY OF BURLINGTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
<u>ASSETS</u>					
Current assets:					
Cash and investments	\$ 200	\$ 1,220,426	\$ 230,938	\$ 1,451,564	\$ 804,582
Receivables:					
2008 tax levy	-	-	14,690	14,690	-
Customer accounts receivable	393,020	469,971	11,385	874,376	-
Special assessments	143,858	192,075	-	335,933	-
Other	52,237	62,424	-	114,661	-
Inventories	10,679	-	41,107	51,786	-
Total current assets	<u>599,994</u>	<u>1,944,896</u>	<u>298,120</u>	<u>2,843,010</u>	<u>804,582</u>
Noncurrent assets:					
Restricted assets:					
Restricted cash and investments	95,067	785,847	-	880,914	-
Advances to other funds	300,000	-	-	300,000	-
Total restricted assets	<u>395,067</u>	<u>785,847</u>	<u>-</u>	<u>1,180,914</u>	<u>-</u>
Other noncurrent assets:					
Unamortized debt issuance costs	37,700	24,788	-	62,488	-
Total other noncurrent assets	<u>37,700</u>	<u>24,788</u>	<u>-</u>	<u>62,488</u>	<u>-</u>
Capital assets:					
Property, plant and equipment	19,194,767	36,348,100	2,516,868	58,059,735	-
Construction in progress	7,121	2,409,342	-	2,416,463	-
Less accumulated depreciation	<u>(4,099,765)</u>	<u>(16,060,465)</u>	<u>(828,226)</u>	<u>(20,988,456)</u>	<u>-</u>
Total capital assets, net	<u>15,102,123</u>	<u>22,696,977</u>	<u>1,688,642</u>	<u>39,487,742</u>	<u>-</u>
Total noncurrent assets	<u>15,534,890</u>	<u>23,507,612</u>	<u>1,688,642</u>	<u>40,731,144</u>	<u>-</u>
Total assets	<u>\$ 16,134,884</u>	<u>\$ 25,452,508</u>	<u>\$ 1,986,762</u>	<u>\$ 43,574,154</u>	<u>\$ 804,582</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 51,445	\$ 447,333	\$ 24,890	\$ 523,668	\$ 147,854
Accrued payroll	11,329	19,837	-	31,166	-
Due to other funds - tax equivalent	296,994	-	-	296,994	-
Due to other funds - all other	299,425	-	-	299,425	-
Deferred revenue	-	-	14,690	14,690	-
Current portion of general obligation bonds	-	230,000	-	230,000	-
Deposits held	-	3,000	-	3,000	-
Total current liabilities	659,193	700,170	39,580	1,398,943	147,854
Current liabilities payable from restricted assets:					
Current portion of revenue bonds payable	205,000	1,274,575	-	1,479,575	-
Accrued interest payable	28,078	47,877	-	75,955	-
Total current liabilities payable from restricted assets	233,078	1,322,452	-	1,555,530	-
Noncurrent liabilities:					
Revenue bonds payable	2,305,000	5,498,977	-	7,803,977	-
General obligation bonds payable	-	2,120,869	-	2,120,869	-
Advances from other funds	-	300,000	-	300,000	-
Compensated absences	42,525	60,649	-	103,174	-
Total noncurrent liabilities	2,347,525	7,980,495	-	10,328,020	-
Total liabilities	3,239,796	10,003,117	39,580	13,282,493	147,854
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	12,599,244	13,597,344	1,688,642	27,885,230	-
Restricted for debt service	95,067	785,847	-	880,914	-
Unrestricted	200,775	1,066,200	258,540	1,525,515	656,728
Total net assets	\$ 12,895,086	\$ 15,449,391	\$ 1,947,182	\$ 30,291,659	\$ 656,728

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
<u>OPERATING REVENUES</u>					
Charges for sales and services:					
Water sales	\$ 1,683,642	\$ -	\$ -	\$ 1,683,642	\$ -
Sewer charges	-	3,314,971	-	3,314,971	-
Fuel sales	-	-	691,881	691,881	-
Billings to departments	-	-	-	-	1,134,696
Other services	27,387	21,598	124,868	173,853	134,584
General property taxes	-	-	14,690	14,690	-
Total operating revenues	1,711,029	3,336,569	831,439	5,879,037	1,269,280
<u>OPERATING EXPENSES</u>					
Operation and maintenance	953,568	1,655,852	135,638	2,745,058	-
Fuel for resale	-	-	585,825	585,825	-
Depreciation	386,896	1,044,038	81,343	1,512,277	-
Taxes	50,441	39,208	9,712	99,361	-
Insurance claims and administration	-	-	-	-	1,255,792
Total operating expenses	1,390,905	2,739,098	812,518	4,942,521	1,255,792
Operating income	320,124	597,471	18,921	936,516	13,488
<u>NONOPERATING REVENUES (EXPENSES)</u>					
Investment income	20,470	26,555	1,176	48,201	-
Interest expense	(116,791)	(261,389)	-	(378,180)	-
Amortization expense	(6,910)	(35,256)	-	(42,166)	-
Total nonoperating revenue (expenses)	(103,231)	(270,090)	1,176	(372,145)	-
Income before contributions and transfers	216,893	327,381	20,097	564,371	13,488
Capital contributions	177,682	107,584	-	285,266	-
Transfer out - tax equivalent	(265,608)	-	-	(265,608)	-
Transfers out - other	(2,707)	(6,253)	(6,900)	(15,860)	-
Change in net assets	126,260	428,712	13,197	568,169	13,488
Total net assets - beginning of year (as restated)	12,768,826	15,020,679	1,933,985	29,723,490	643,240
Total net assets - end of year	\$ 12,895,086	\$ 15,449,391	\$ 1,947,182	30,291,659	\$ 656,728
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				216,653	
Net assets of business - type activities (page 3)				\$ 30,508,312	

See accompanying notes to financial statements.

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

CITY OF BURLINGTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	Water Utility	Sewer Utility	Airport	Totals	Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts from customers and users	\$ 1,750,201	\$ 3,330,726	\$ 838,030	\$ 5,918,957	\$ -
Receipts from interfund services provided	-	-	-	-	1,269,280
Payments to suppliers	(106,474)	(819,753)	(764,153)	(1,690,380)	-
Payments to employees	(489,619)	(505,076)	-	(994,695)	-
Payments for interfund services used	-	-	-	-	(1,270,538)
Net cash provided by operating activities	<u>1,154,108</u>	<u>2,005,897</u>	<u>73,877</u>	<u>3,233,882</u>	<u>(1,258)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers out	(268,315)	(6,253)	(6,900)	(281,468)	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Receipts (repayments) of advances to/from other funds	60,000	483,967	-	543,967	-
Capital contributions	12,911	107,584	-	120,495	-
Acquisition and construction of capital assets	(614,189)	(2,485,224)	-	(3,099,413)	-
Proceeds from borrowing	-	3,241,266	-	3,241,266	-
Principal paid on bonds	(200,000)	(1,344,920)	-	(1,544,920)	-
Interest paid on bonds	(118,284)	(255,332)	-	(373,616)	-
Special assessment collections	2,081	1,166	-	3,247	-
Net cash used by capital and related financing activities	<u>(857,481)</u>	<u>(251,493)</u>	<u>-</u>	<u>(1,108,974)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest and dividends received	14,964	19,412	1,176	35,552	-
Net redemption of long-term investments	-	202,538	-	202,538	-
Net cash provided by investing activities	<u>14,964</u>	<u>221,950</u>	<u>1,176</u>	<u>238,090</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	43,276	1,970,101	68,153	2,081,530	(1,258)
Cash and cash equivalents - beginning of year	<u>51,991</u>	<u>36,172</u>	<u>162,785</u>	<u>250,948</u>	<u>487,538</u>
Cash and cash equivalents - end of year	<u>\$ 95,267</u>	<u>\$ 2,006,273</u>	<u>\$ 230,938</u>	<u>\$ 2,332,478</u>	<u>\$ 486,280</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
Operating income	\$ 320,124	\$ 597,471	\$ 18,921	\$ 936,516	\$ 13,488
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	386,896	1,044,038	81,343	1,512,277	-
Depreciation charged to clearing account	18,147	-	-	18,147	-
(Increase) decrease in receivables	39,172	(5,843)	6,591	39,920	-
(Increase) decrease in due from other funds	208,251	-	-	208,251	-
(Increase) decrease in inventories	(2,162)	-	(10,411)	(12,573)	(14,746)
Increase (decrease) in accounts payable	(155,818)	366,869	(1,177)	209,874	-
Increase (decrease) in accrued payroll	3,190	5,167	-	8,357	-
Increase (decrease) in accrued taxes	31,386	-	-	31,386	-
Increase (decrease) in due to other funds	299,425	-	-	299,425	-
Increase (decrease) in compensated absences payable	5,497	(1,805)	-	3,692	-
Increase (decrease) in deposits	-	-	(21,390)	(21,390)	-
Total adjustments	833,984	1,408,426	54,956	2,297,366	(14,746)
Net cash provided by operating activities	1,154,108	2,005,897	73,877	3,233,882	(1,258)
 <u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS - PROPRIETARY FUNDS</u>					
Cash and investments reported as current assets	200	1,220,426	230,938	1,451,564	729,454
Cash and investments reported as restricted assets	95,067	785,847	-	880,914	-
Cash and cash equivalents - end of year	\$ 95,267	\$ 2,006,273	\$ 230,938	\$ 2,332,478	\$ 729,454

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Capital additions of \$164,771 were contributed to the water utility by customers.

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008

	<u>Tax Roll</u>	<u>Municipal Court</u>	<u>Developers' Reimburse Fund</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 7,641,412	\$ 46,579	\$ 127,051	\$ 7,815,042
Taxes receivable	2,171,553	-	-	2,171,553
Total assets	<u>9,812,965</u>	<u>46,579</u>	<u>127,051</u>	<u>9,986,595</u>
LIABILITIES				
Liabilities:				
Accounts payable	109,524	-	12,903	122,427
Due to county and state	2,539,964	-	-	2,539,964
Due to school and VTAE districts	7,163,477	-	-	7,163,477
Deposits held	-	46,579	114,148	160,727
Total liabilities	<u>9,812,965</u>	<u>46,579</u>	<u>127,051</u>	<u>9,986,595</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
INDEX TO NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2008

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CITY OF BURLINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

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. GASB Statement No. 34 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. 14 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 assets is as of the Housing Authority's fiscal year end of August 31, 2008. 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 assets and the statement of changes in net assets) 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.

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:

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.

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 DARE
- Derozier
- Wehmhoff

Debt Service Funds - 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.

- TIF No. 4
- General Infrastructure
- Downtown Redevelopment
- Revolving Capital Projects
- Stormwater 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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The city has elected not to follow subsequent private-sector guidance.

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

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 Assets 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.

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.

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

Note 1 - Summary Of Significant Accounting Policies - Continued

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

2. Receivable and Payables - Continued

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 assets. 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 2008 tax levy follows:

Lien and levy dates	December 2008
Real estate collection due dates:	
First installment due	January 31, 2009
Second installment due	July 31, 2009
Personal property tax due in full	January 31, 2009
Final settlement with county	August 2009
Tax sale of 2008 delinquent real estate taxes	October 2011

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 either bond ordinance or city council resolution for the following purposes:

	Water Utility	Sewer Utility	Totals
Plant and equipment replacement	\$ - - -	\$ 202,538	\$ 202,538
Bond special redemption	95,067	583,309	678,376
Totals	<u>\$ 95,067</u>	<u>\$ 785,847</u>	<u>\$ 880,914</u>

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Assets 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 (amount not rounded) 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
Land improvements	30
Roads	30
Other infrastructure	30 - 50
Vehicles	5 - 10
Office equipment	10
Computer equipment	6

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Assets 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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The remaining unreserved fund balance is considered undesignated.

In the government-wide statements, fund equity is termed net assets 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 assets - This represents net assets restricted by external groups, laws and regulations, or enabling legislation.

Unrestricted net assets - This represents net assets that do not meet the criteria of the above components of net assets.

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 Assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. 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 \$31,412,667 difference are as follows:

Bonds and notes payable	\$ 31,188,654
Less: Deferred charges for bond refunding costs (to be amortized as interest expense over life of debt)	(67,688)
Less: Issuance discount (to be amortized as interest expense)	(444,079)
Add: Accrued interest payable	317,357
Add: Compensated absences payable	<u>418,423</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net-assets - governmental activities</i>	<u>\$ 31,412,667</u>

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

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 governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net assets of governmental activities* as reported in the government-wide 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 this \$546,417 difference are as follows:

Principal repayments received on notes receivable	\$ (116,417)
Repayment of advance made by general fund to the TIF no. 3 fund that is reported as revenue in the fund financial statements	<u>(430,000)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (546,417)</u>

Note 3 - Stewardship, Compliance, and Accountability

A. Budgetary Information

The government 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.

Expenditures cannot legally exceed their appropriations at the fund level.

The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the city council. There were no budget amendments made during the year.

Note 3 - Stewardship, Compliance, and Accountability - Continued

B. Deficit Fund Equity

The following individual funds had deficit fund balances as of December 31, 2008.

	<u>Amount of Deficit</u>
<u>Debt Service Funds:</u>	
Library operations special revenue fund	\$ (676)
General debt service fund	(51,322)

These deficit balances are expected to be eliminated by appropriations from the general fund in 2009.

C. General Fund Designated and Reserved Fund Balances

The fund balance of the general fund has been designated at December 31, 2008 for the following:

Working capital requirements	<u>\$ 2,654,475</u>
------------------------------	---------------------

The fund balance of the general fund has been reserved at December 31, 2008 for the following:

Delinquent personal property taxes	\$ 392
Prepaid expenditures	<u>5,167</u>
Total	<u>\$ 5,559</u>

D. Utility Debt Service Redemption Funds

Provisions of the water and sewer utility bond agreements specify certain balances in debt service redemption funds. Those balances were calculated as \$421,828 and \$785,847 for the water and sewer utilities, respectively, at December 31, 2008. The balance required for the water utility was not fully funded at year end.

Note 4 - Detailed Notes on All Funds

A. Cash and Investments

The city's cash and investments at December 31, 2008 consisted of the following:

	<u>Carrying Amount</u>	<u>Weighted Average Maturity (Days)</u>
Petty cash	\$ 1,028	N/A
Interest bearing checking accounts	4,130,114	Demand
Money market savings accounts	9,871,450	Demand
State local government investment pool	2,635,647	80
Certificates of deposit	2,382,392	240
Federal Home Loan Bank note	<u>1,488,835</u>	30
Total carrying amount	<u>\$20,509,466</u>	

Note 4 - Detailed Notes on All Funds - Continued

A. Cash and Investments - Continued

Credit Risk

The city has polices 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 previously in the 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.

Interest Rate Risk

The city has polices 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 polices 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.

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

Statement of net assets:

Cash and investments	\$ 9,391,533
Restricted cash and investments	<u>3,302,891</u>
Total reported on statement of net assets	12,694,424
Statement of fiduciary net assets	<u>7,815,042</u>
Total Cash and Investments	<u><u>\$ 20,509,466</u></u>

City deposits 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 investments are 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 city has entered into agreements with its banks to collateralize its deposits in excess of the insured amounts.

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

Note 4 - Detailed Notes on All Funds - Continued

A. Cash and Investments - Continued

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 \$2,635,647 at December 31, 2008 is at cost basis. The fair value of the LGIP investment at December 31, 2008 did not materially differ from its cost basis.

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 year end 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	Water Utility	Sewer Utility	Airport	Nonmajor and Other Funds	Totals
Receivables:							
Taxes - current	\$ 4,560,530	\$ 3,436,688	\$ ---	\$ ---	\$ 14,690	\$ 3,441,588	\$11,453,496
Taxes - delinquent	392	---	---	---	---	---	392
Accounts and other	4,024	---	445,257	532,395	11,385	10,197	1,003,258
Special assessments	5,564	---	143,858	192,075	---	88,582	430,079
Notes	---	---	---	---	---	727,766	727,766
Net total receivables	<u>\$ 4,570,510</u>	<u>\$ 3,436,688</u>	<u>\$ 589,115</u>	<u>\$ 724,470</u>	<u>\$ 26,075</u>	<u>\$ 4,268,133</u>	<u>\$13,614,991</u>

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

	Unavailable	Unearned
Property and other taxes receivable	\$ ---	\$ 9,260,918
Water utility property tax equivalent	---	296,994
Notes receivable (special revenue funds)	727,766	---
Special assessments not yet due (various funds)	153,491	---
Interfund advances receivable (general fund)	1,511,413	---
Total deferred/unearned revenue for governmental funds	<u>\$ 2,392,670</u>	<u>\$ 9,557,912</u>

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

Purpose	Date of Note	Interest Rate	Original Principal	Balance 12/31/08
Community Development Block Grant	12/1/03	4.0%	\$ 500,000	\$ 428,703
Community Development Block Grant	8/01/03	4.0%	500,000	179,223
Community Development Block Grant	10/23/00	6.0%	60,000	42,026
TIF No. 3 Revolving Loan	10/10/02	4.0%	100,934	77,814
Total				<u>\$ 727,766</u>

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 22,015,320	\$ ---	\$ (917,629)	\$ 21,097,691
Construction in progress	<u>---</u>	<u>350,000</u>	<u>---</u>	<u>350,000</u>
Total capital assets, not being depreciated	<u>22,015,320</u>	<u>350,000</u>	<u>(917,629)</u>	<u>21,447,691</u>
Capital assets, being depreciated:				
Buildings and improvements	3,424,437	92,059	---	3,516,496
Land improvements and other structures	2,990,155	---	---	2,990,155
Machinery and equipment	4,446,612	196,018	---	4,642,630
Infrastructure	<u>33,764,585</u>	<u>363,734</u>	<u>---</u>	<u>34,128,319</u>
Total capital assets being depreciated	<u>44,625,789</u>	<u>651,811</u>	<u>---</u>	<u>45,277,600</u>
Less accumulated depreciation for:				
Buildings and other improvements	(2,462,922)	(78,172)	---	(2,541,094)
Machinery and equipment	(2,767,585)	(250,926)	---	(3,018,511)
Infrastructure	<u>(12,285,172)</u>	<u>(1,280,416)</u>	<u>---</u>	<u>(13,565,588)</u>
Total accumulated depreciation	<u>(17,515,679)</u>	<u>(1,609,514)</u>	<u>---</u>	<u>(19,125,193)</u>
Total capital assets, being depreciated, net	<u>27,110,110</u>	<u>(957,703)</u>	<u>---</u>	<u>26,152,407</u>
Governmental activities capital assets, net	<u>\$ 49,125,430</u>	<u>\$ (607,703)</u>	<u>\$ (917,629)</u>	<u>\$ 47,600,098</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>
Water Utility				
Capital assets, not being depreciated:				
Land	\$ 269,027	\$ ---	\$ ---	\$ 269,027
Construction in progress	2,280,882	522,551	(2,796,312)	7,121
Total capital assets, not being depreciated	<u>2,549,909</u>	<u>522,551</u>	<u>(2,796,312)</u>	<u>276,148</u>
Capital assets, being depreciated:				
Buildings and system	640,572	896,621	(3,000)	1,534,193
Machinery and equipment	1,789,594	7,812	---	1,797,406
Infrastructure	13,518,457	2,148,289	(72,605)	15,594,141
Total capital assets being depreciated	15,948,623	3,052,722	(75,605)	18,925,740
Less: accumulated depreciation	<u>(3,770,327)</u>	<u>(405,043)</u>	<u>75,605</u>	<u>(4,099,765)</u>
Total capital assets, being depreciated, net	<u>12,178,296</u>	<u>2,647,679</u>	<u>---</u>	<u>14,825,975</u>
Business-type activities capital assets, net	<u>\$ 14,728,205</u>	<u>\$ 3,170,230</u>	<u>\$ (2,796,312)</u>	<u>\$ 15,102,123</u>

Accumulated depreciation by capital asset category for the water utility is not available.

Sewer Utility

Capital assets, not being depreciated:				
Land	\$ 778,671	\$ ---	\$ ---	\$ 778,671
Construction in progress	---	2,409,342	---	2,409,342
Total capital assets, not being depreciated	<u>778,671</u>	<u>2,409,342</u>	<u>---</u>	<u>3,188,013</u>
Capital assets, being depreciated:				
Buildings and system	14,723,496	---	---	14,723,496
Machinery and equipment	8,394,190	27,045	---	8,421,235
Infrastructure	12,139,041	325,657	(40,000)	12,424,698
Total capital assets being depreciated	<u>35,256,727</u>	<u>352,702</u>	<u>(40,000)</u>	<u>35,569,429</u>
Less: accumulated depreciation:				
Buildings and system	(7,528,284)	(490,291)	---	(8,018,575)
Machinery and equipment	(5,257,966)	(335,915)	---	(5,593,881)
Infrastructure	<u>(2,270,177)</u>	<u>(217,832)</u>	<u>40,000</u>	<u>(2,448,009)</u>
Total accumulated depreciation	<u>(15,056,427)</u>	<u>(1,044,038)</u>	<u>40,000</u>	<u>(16,060,465)</u>
Total capital assets, being depreciated, net	<u>20,200,300</u>	<u>(691,336)</u>	<u>---</u>	<u>19,508,964</u>
Business-type activities capital assets, net	<u>\$ 20,978,971</u>	<u>\$ 1,718,006</u>	<u>\$ ---</u>	<u>\$ 22,696,977</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>
Airport				
Capital assets, not being depreciated:				
Land	\$ 125,634	\$ ---	\$ ---	\$ 125,634
Total capital assets, not being depreciated	<u>125,634</u>	<u>---</u>	<u>---</u>	<u>125,634</u>
Capital assets, being depreciated:				
Buildings	41,180	---	---	41,180
Land improvements	2,054,267	---	---	2,054,267
Machinery and equipment	<u>295,787</u>	<u>---</u>	<u>---</u>	<u>295,787</u>
Total capital assets being depreciated	<u>2,391,234</u>	<u>---</u>	<u>---</u>	<u>2,391,234</u>
Less: accumulated depreciation:				
Buildings	(39,948)	(595)	---	(40,543)
Land improvements	(605,151)	(65,305)	---	(670,456)
Machinery and equipment	<u>(101,784)</u>	<u>(15,443)</u>	<u>---</u>	<u>(117,227)</u>
Total accumulated depreciation	<u>(746,883)</u>	<u>(81,343)</u>	<u>---</u>	<u>(828,226)</u>
Total capital assets, being depreciated, net	<u>1,644,351</u>	<u>(81,343)</u>	<u>---</u>	<u>1,563,008</u>
Business-type activities capital assets, net	<u>\$ 1,769,985</u>	<u>\$ (81,343)</u>	<u>\$ ---</u>	<u>\$ 1,688,642</u>

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

Governmental activities:	
General government	\$ 9,820
Public safety	212,871
Highways and streets, including depreciation of general infrastructure assets	1,224,798
Culture and recreation	<u>162,025</u>
Total depreciation expense - governmental activities	<u>\$ 1,609,514</u>
Business-type activities:	
Water	\$ 405,043
Sewer	1,044,038
Airport	<u>81,343</u>
Total depreciation expense - business-type activities	<u>\$ 1,530,424</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, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 87,236	\$ ---	\$ ---	\$ 87,236
Capital assets, being depreciated:				
Buildings	2,063,173	84,335	---	2,147,508
Landscaping	105,680	14,566	---	120,246
Furniture and equipment	139,621	2,005	---	141,626
Total capital assets being depreciated	2,308,474	100,906	---	2,409,380
Less: accumulated depreciation	(1,316,169)	(53,016)	---	(1,369,185)
Total capital assets, being depreciated, net	992,305	47,890	---	1,040,195
Business-type activities capital assets, net	<u>\$ 1,079,541</u>	<u>\$ 47,890</u>	<u>\$ ---</u>	<u>\$ 1,127,431</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, 2008, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Water utility	<u>\$ 596,419</u>

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General	TIF No. 3 debt service	\$ 1,511,413
Water utility	Sewer utility	<u>300,000</u>
		<u>\$ 2,766,234</u>

Annual repayments of the advance payable by TIF No. 3 to the general fund is determined by the city council. Interest on the advances is charged to the TIF No. 3 and TIF No. 4 funds at 4.25%. A repayment schedule is yet to be prepared for the advance between TIF No. 3 and sewer utility funds.

The advance from the water utility to the sewer utility will be repaid in ten annual installments of \$60,000 that began in 2004. The sewer utility made its \$60,000 annual installment to the water utility during 2008.

Note 4 - Detailed Notes on All Funds - Continued

Interfund transfers:

	Transfers In			Total
	General Fund	TIF No. 3 Debt Service	Non-major Govern-mental	
Transfers Out:				
General fund	\$ ---	\$ ---	\$ 801,832	\$ 801,832
Non-major governmental funds	---	1,118,453	480,968	1,599,421
Water utility enterprise fund	---	---	2,707	2,707
Sewer utility enterprise fund	---	---	6,253	6,253
Airport enterprise fund	6,900	---	---	6,900
Total	\$ 6,900	\$ 1,118,453	\$ 1,291,760	\$ 2,417,113

E. Long-Term Obligations

Outstanding debt and other long-term obligations of the city at December 31, 2008 follows:

Issue	Interest Rate	Original Principal	Outstanding Principal At 12/31/08		Purpose
			General	Proprietary	
<u>General obligation debt:</u>					
2001 refunding bonds	4.0-4.8%	9,990,000	\$ 9,340,000	\$ ---	Riverfront
2001 refunding bonds	2.4-4.1%	2,845,000	1,340,000	---	Various
2001 CDA bonds	3.0-4.45%	6,500,000	5,050,000	---	Riverfront
2004 state trust fund loan	5.25%	734,110	622,887	---	Pension
2004 refunding sewer bonds	2.0-3.5%	2,930,000	---	2,470,000	Sewer
2007 refunding bonds	4.1%-4.375	1,500,000	1,500,000	---	Infrastructure
Total bonds and notes			<u>17,852,887</u>	<u>2,470,000</u>	
<u>Other long-term obligations:</u>					
2000 revenue lease bonds	4.4-5.65%	\$15,000,000	1,300,000	---	Riverfront
2000 tax increment rev. bonds	0%	1,500,000	633,767	---	Fitness Center
2000 tax increment rev. bonds	0%	553,108	2,000	---	Shiloh Hills
2005 revenue lease bonds	2.7-4.25%	11,810,000	11,400,000	---	Riverfront
Compensated absences (Note 5B.)			418,423	103,174	
Total other long-term obligations			<u>13,754,190</u>	<u>103,174</u>	
<u>Utility revenue debt:</u>					
1991 CWF revenue bonds	3.6%	17,563,860	---	3,565,371	Sewer
2002 revenue bonds	4.0-5.0%	2,500,000	---	2,220,000	Water
2003 revenue bonds	2.0-3.1%	925,000	---	290,000	Water
2008 CWF revenue bonds (1)	2.569%	2,281,234	---	2,281,233	Sewer
2008 CWF revenue bonds (2)	2.365%	926,948	---	926,948	Sewer
Total utility revenue debt			<u>---</u>	<u>9,283,552</u>	
Total Long-Term Obligations			31,607,077	11,856,726	
Less: deferred bond refunding costs			<u>(67,688)</u>	<u>(119,131)</u>	
Net Long-Term Obligations			<u>\$31,539,389</u>	<u>\$11,737,595</u>	

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	
2009	\$ 1,199,826	\$ 770,657	\$ 230,000	\$ 78,118	\$ 2,278,601
2010	1,481,392	717,877	225,000	72,368	2,496,637
2011	1,703,040	655,319	245,000	65,900	2,669,259
2012	1,384,699	592,500	570,000	58,795	2,605,994
2013	1,486,596	531,789	580,000	40,840	2,639,225
2014-2018	6,873,841	1,680,635	620,000	21,700	9,196,176
2019-2023	3,123,493	404,470	---	---	3,527,963
2024-2027	600,000	52,049	---	---	652,049
	<u>\$ 17,852,887</u>	<u>\$ 5,405,296</u>	<u>\$2,470,000</u>	<u>\$ 337,721</u>	<u>\$ 26,065,904</u>

General city and proprietary fund indebtedness represented by general obligation notes totaled \$20,322,887 on December 31, 2008. The city's full faith and credit back these general obligation notes. Transactions for 2008 are summarized as follows:

Balance - January 1, 2008	\$ 21,571,136
Loan proceeds	---
Principal reductions	<u>(1,248,249)</u>
Balance - December 31, 2008	<u>\$ 20,322,887</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
2009	\$ 775,000	\$ 483,850	\$ 1,258,850
2010	825,000	447,662	1,272,662
2011	1,000,000	412,225	1,412,225
2012	1,050,000	377,612	1,427,612
2013	1,050,000	341,125	1,391,125
2014-2018	5,650,000	1,081,013	6,731,013
2019-2020	2,350,000	99,875	2,449,875
	<u>\$ 12,700,000</u>	<u>\$ 3,243,362</u>	<u>\$ 15,943,362</u>

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

B. Community development revenue lease bonds - continued

Community development indebtedness represented by the lease revenue bonds totaled \$12,700,000 on December 31, 2008. These bonds were issued to finance the riverfront improvement project. Transactions for 2008 are summarized as follows:

Balance - January 1, 2008	\$ 13,450,000
Principal reductions	<u>(710,000)</u>
Balance - December 31, 2008	<u>\$ 12,700,000</u>

C. Tax increment project revenue bonds

Annual 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
2009	\$ 160,000	\$ ---	\$ 160,000
2010	165,000	---	165,000
2011	69,000	---	69,000
2012	69,000	---	69,000
2013	109,500	---	109,500
2014	63,267	---	63,267
	<u>\$ 635,767</u>	<u>\$ ---</u>	<u>\$ 635,767</u>

Tax increment indebtedness represented by the revenue bonds totaled \$635,767 on December 31, 2008. These bonds were issued for the various developer and construction agreements. Transactions for 2008 are summarized as follows:

Balance - January 1, 2008	\$ 739,287
Principal reductions	<u>(103,520)</u>
Balance - December 31, 2008	<u>\$ 635,767</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
2009	\$ 1,479,575	\$ 299,079	\$ 1,778,654
2010	1,529,060	247,151	1,776,211
2011	1,490,114	193,190	1,683,304
2012	272,754	162,314	435,068
2013	286,208	153,080	439,288
2014 - 2018	1,595,945	607,524	2,203,469
2019 - 2023	1,716,244	279,815	1,996,059
2024 - 2028	913,652	55,823	969,475
Totals	<u>\$ 9,283,552</u>	<u>\$ 1,997,976</u>	<u>\$ 11,281,528</u>

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

D. Utility revenue debt - continued

Proprietary fund indebtedness represented by revenue bonds totaled \$9,283,552 on December 31, 2008. 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 2008 are summarized as follows:

Balance - January 1, 2008	\$ 7,382,206
Loan proceeds	3,208,181
Principal reductions	<u>(1,306,835)</u>
Balance - December 31, 2008	<u>\$ 9,283,552</u>

E. Refunding of Lease Revenue Bonds

The city used the net proceeds of its 2005 CDA Lease Revenue Refunding Bonds to retire bonds totaling \$10,900,000 from its 2000 revenue lease bonds issue. This defeasance was accomplished by depositing the proceeds of the 2005 bonds with an escrow agent. The escrow agent purchased state and local government series securities and those securities were deposited into an irrevocable trust until the defeased bonds are callable on April 1, 2010. This transaction met the requirements of an in-substance debt defeasance and the 2000 bonds were removed from the city's financial statements. On December 31, 2008, \$10,900,000 of outstanding bonds are considered defeased as a result of the 2005 transaction. As provided by accounting principles generally accepted, certain costs associated with the refunding bonds are being deferred and reported as a reduction of the bonds payable on the balance sheet. These costs will be amortized as a component of interest expense over the life of the 2005 bonds, which are scheduled to be fully paid in 2020.

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, 2008:

Equalized Value - 2008	<u>\$ 926,958,900</u>
Margin of Indebtedness:	
5% of Equalized Value	46,347,945
Outstanding General Obligation Debt - December 31, 2008	<u>20,322,887</u>
Margin of Indebtedness	<u>\$ 26,025,058</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, 2008 totaled \$3,345,000 and 4,725,000 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 4 - Detailed Notes on All Funds - Continued

F. Segment Information for Enterprise Funds

The city maintains three enterprise funds. Segment information for the year ended December 31, 2008 follows:

CONDENSED STATEMENT OF NET ASSETS

	Water Utility	Sewer Utility	Airport	Total
Assets:				
Current assets	\$ 599,994	\$ 1,944,896	\$ 298,120	\$ 2,843,010
Restricted cash and investments	95,067	785,847	--	880,914
Advances to other funds	300,000	--	--	300,000
Other noncurrent assets	37,700	24,788	--	62,488
Capital assets	15,102,123	22,696,977	1,688,642	39,487,741
Total assets	16,134,884	25,452,508	1,986,762	43,574,153
Liabilities:				
Current liabilities	659,193	700,171	39,580	1,398,944
Current liabilities payable from restricted assets	233,078	1,322,452	--	1,555,530
Noncurrent liabilities	2,347,525	7,980,494	--	10,328,019
Total liabilities	3,239,796	10,003,117	39,580	13,282,493
Net assets:				
Invested in capital assets, net of related debt	12,599,244	13,597,345	1,688,642	27,743,871
Restricted	95,067	785,847	--	880,914
Unrestricted	200,775	1,066,199	258,540	1,525,514
Total net assets	12,895,086	15,449,391	1,947,182	30,291,659

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	Water Utility	Sewer Utility	Airport	Total
Operating revenues	\$ 1,711,029	\$ 3,336,569	\$ 831,439	\$ 5,879,037
Depreciation expense	386,896	1,044,038	81,343	1,512,277
Other operating expenses	1,004,009	1,695,060	731,175	3,430,244
Operating income	320,124	597,471	18,921	936,516
Nonoperating revenues (expenses):				
Investment income	20,470	26,555	1,176	48,201
Interest expense	(116,791)	(261,389)	--	(378,180)
Amortization expense	(6,910)	(35,256)	--	(42,166)
Capital contributions	177,682	107,584	--	285,266
Transfers out	(268,315)	(6,253)	(6,900)	(281,468)
Beginning net assets	12,768,827	15,020,679	1,933,985	29,723,491
Ending net assets	12,895,086	15,449,391	1,947,182	30,291,659

CONDENSED STATEMENT OF CASH FLOWS

	Water Utility	Sewer Utility	Airport	Total
Net cash provided (used) by:				
Operating activities	\$ 1,154,108	\$ 2,005,897	\$ 73,877	\$ 3,233,882
Noncapital financing activities	(268,315)	(6,253)	(6,900)	(281,468)
Capital and related financing activities	(857,481)	(251,493)	--	(1,108,974)
Investing activities	14,964	221,950	1,176	238,090
Net increase (decrease)	43,276	1,970,101	68,153	2,081,530
Beginning cash and cash equivalents	51,991	36,172	162,785	250,948
Ending cash and cash equivalents	95,267	2,006,273	230,938	2,332,478

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 \$656,728 at December 31, 2008 and is reported as the internal service fund balance. The accounts payable of \$147,854 reported in the fund at December 31, 2008 is based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's reported liability amount for the years ended December 31, 2008 and 2007 was as follows:

<u>Year</u>	<u>Beginning Of Year Liability</u>	<u>Incurred Claims</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2008	\$ 86,214	\$ 1,255,792	\$ 1,194,152	\$ 147,854
2007	100,960	1,062,859	1,077,605	86,214

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 assets.

Management has determined that no material amounts of accumulated vacation time at year end will be liquidated with expendable available resources. The amount of accumulated vacation time at December 31, 2008 that has been recorded in the governmental activities of the statement of net assets is \$204,699.

Employees may accumulate a maximum of 150 days of sick leave. 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. Accumulated sick days of employees totaled approximately 6,682 at December 31, 2008. 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, 2008, estimated sick leave termination benefits of \$213,724 have been recorded in the governmental activities of the statement of net assets.

Note 5 - Other Information - Continued

B. Compensated Absences - Continued

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 \$103,174 of accumulated vacation and sick pay 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 (PERS). All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by state statute to contribute 6.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security and 3.4% for Protective Occupations without Social Security) to the plan. The city makes these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for city employees covered by the WRS for the year ended December 31, 2008 was \$3,946,787 the employer's total payroll was \$4,059,981. The total required contribution for the year ended December 31, 2008 was \$461,902, which consisted of \$242,718, or 6.1% of payroll from the employer and \$219,184, or 5.6% of payroll from employees. Total contributions for the years ended December 31, 2007 and 2006 were \$437,290 and \$414,033, 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 retirement benefits. 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 employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. 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 are immediately vested.

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

Note 5 - Other Information - Continued

D. Tax Incremental Districts

The city has established tax incremental financing (TIF) district nos. 3 and 4 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 2005, the city adopted a resolution amending Tax Incremental District No. 2 to allow for the sharing of revenues with Tax Incremental District No. 3 for a five year period as provided for in section 66.1105 (6) of the Wisconsin statutes. The revenues are allowed to be shared through 2011. Positive tax increments in excess of District No. 4's (the donor) project costs are allocated to District No. 3 (the recipient).

Summary information on the combined districts follows:

Date of creation:

District No. 3 9/29/1992

District No. 4 9/28/1995

End of statutory construction period:

District No. 3 9/29/2014

District No. 4 9/28/2017

Maximum statutory life of district:

District No. 3 9/29/2019

District No. 4 9/29/2022

	<u>Combined District Nos. 3 & 4</u>	
	<u>2008</u>	<u>From Dates Of Creation</u>
Accumulated project expenditures (including interest costs)	<u>\$ 1,368,364</u>	<u>\$ 50,611,185</u>
Less: tax increments received	4,227,305	24,583,023
Less: intergovernmental revenues	26,529	628,129
Less: special assessments/property sales	459,268	1,668,252
Less: rental income	-	10,144
Less: interest earned	159,829	2,161,148
Less: city contribution for Wehmhoff Park	-	60,000
Less: all other	<u>3,000</u>	<u>25,212</u>
Total project revenues	<u>4,875,931</u>	<u>29,135,908</u>
Net Costs to be Recovered	<u>\$ (3,507,567)</u>	<u>\$ 21,475,277</u>

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

Note 5 - Other Information - Continued

E. Litigation and Contingencies

The city is involved in various claims. These claims have been forwarded to the city's insurance carrier and, in the opinion of management and the city's legal counsel, it does not anticipate any financial exposure from the claims in the event of unfavorable outcomes.

F. 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, 2008. 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, 2008, the housing authority's deposits totaled \$179,204. The carrying value of those deposits on the housing authority's financial statements was \$175,027.

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, 2008 consisted of the following:

Reserve account	\$ 127,076
Security deposits	<u>39,227</u>
Totals	<u>\$ 166,303</u>

Note 5 - Other Information - Continued

F. Housing Authority - Continued

4. Long-term debt

Long-term debt of the housing authority at August 31, 2008 consisted of the following:

Note payable to Rural Development dated September 1, 1977. It is due September 1, 2027 with monthly payments of \$2,918. Interest is charged at 8%, but is subsidized to a rate of 1%.	\$ 599,246
Note payable to Rural Development dated January 1, 1984. It is due February 1, 2034 with monthly payments of \$1,590. Interest is charged at 10.75%, but is subsidized to a rate of 1%.	<u>424,331</u>
Totals	1,023,577
Less: Current maturities	<u>(44,063)</u>
Net Long-Term Debt	<u>\$ 979,514</u>

Annual debt service requirements of housing authority debt are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 44,063	\$ 10,033	\$ 54,096
2010	44,506	9,590	54,096
2011	44,953	9,143	54,096
2012	45,404	8,692	54,096
2013	45,861	8,235	54,096
2014 - 2018	236,307	34,173	270,480
2019 - 2023	248,417	22,063	270,480
2024 - 2028	218,014	9,574	227,588
2029 - 2033	92,867	2,533	95,400
2034	3,185	4	3,189
	<u>\$ 1,023,577</u>	<u>\$ 114,040</u>	<u>\$ 1,137,617</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.

G. Subsequent Event

The Wisconsin Local Government Investment Pool (the pool) has been notified that its credit insurance carrier will no longer insure the pool's investment in commercial paper and negotiable certificates of deposit effective with securities purchased after February 15, 2009. At December 31, 2008, approximately 8.4% of the pool's investment portfolio was invested in commercial paper and negotiable certificates of deposit.

H. Restatement of Net Assets

A tractor and tank contributed to the airport enterprise fund by the Wisconsin Department of Transportation at a net cost of \$141,359 was omitted from the 2007 financial statements. The opening 2008 balance of the airport enterprise fund has been restated to recognize these contributed assets.

SUPPLEMENTAL INFORMATION

A two-page combining balance
sheet follows.

CITY OF BURLINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008

Special Revenue Funds

	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police DARE	Derozier
<u>ASSETS</u>							
Cash and investments	\$ 22,119	\$ 364,923	\$ 424,984	\$ 228,577	\$ 124,391	\$ 5,940	\$ 46,538
Taxes receivable	329,254	-	-	-	-	-	-
Accounts receivable	10,197	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Notes receivable	-	649,952	77,814	-	-	-	-
Total Assets	<u>361,570</u>	<u>1,014,875</u>	<u>502,798</u>	<u>228,577</u>	<u>124,391</u>	<u>5,940</u>	<u>46,538</u>
<u>LIABILITIES</u>							
Accounts payable	21,976	-	-	-	-	-	-
Accrued payroll	11,016	-	-	-	-	-	-
Deferred revenue	329,254	649,952	77,814	-	-	-	-
Total Liabilities	<u>362,246</u>	<u>649,952</u>	<u>77,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>							
Unreserved:							
Designated	(676)	364,923	424,984	228,577	124,391	5,940	46,538
Total Fund Balances	<u>(676)</u>	<u>364,923</u>	<u>424,984</u>	<u>228,577</u>	<u>124,391</u>	<u>5,940</u>	<u>46,538</u>
Total Liabilities and Fund Balances	<u>\$ 361,570</u>	<u>\$ 1,014,875</u>	<u>\$ 502,798</u>	<u>\$ 228,577</u>	<u>\$ 124,391</u>	<u>\$ 5,940</u>	<u>\$ 46,538</u>

Capital Projects Funds

Wehmhoff	General Debt Service Fund	TIF No. 4	General Infrastructure	Downtown Redevelop- ment	Revolving Capital Projects	Stormwater Management	Facade Grants	Total Nonmajor Funds
\$ 54,293	\$ (51,322)	\$ 70	\$ 1,309,781	\$ 283,848	\$ 1,220,297	\$ 8,268	\$ 33,688	\$ 4,076,395
-	193,049	747,732	-	-	-	-	-	1,270,035
-	-	-	-	-	-	-	-	10,197
-	-	88,582	-	-	-	-	-	88,582
-	-	-	-	-	-	-	-	727,766
<u>54,293</u>	<u>141,727</u>	<u>836,384</u>	<u>1,309,781</u>	<u>283,848</u>	<u>1,220,297</u>	<u>8,268</u>	<u>33,688</u>	<u>6,172,975</u>
-	-	70	6,683	-	18,577	-	-	47,306
-	-	-	-	-	-	-	-	11,016
-	193,049	836,314	-	-	-	-	-	2,086,383
-	193,049	836,384	6,683	-	18,577	-	-	2,144,705
54,293	(51,322)	-	1,303,098	283,848	1,201,720	8,268	33,688	4,028,270
54,293	(51,322)	-	1,303,098	283,848	1,201,720	8,268	33,688	4,028,270
<u>\$ 54,293</u>	<u>\$ 141,727</u>	<u>\$ 836,384</u>	<u>\$ 1,309,781</u>	<u>\$ 283,848</u>	<u>\$ 1,220,297</u>	<u>\$ 8,268</u>	<u>\$ 33,688</u>	<u>\$ 6,172,975</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, 2008

	Special Revenue Funds						
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police DARE	Derozier
REVENUES							
Taxes	\$ 310,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	323,852	-	-	2,000	-	-	-
Charges for services	28,676	-	-	4,350	-	-	-
Special assessments	-	-	-	-	-	-	-
Investment income	3,892	31,853	5,621	516	3,400	12	1,526
Loan reimbursements	-	112,288	4,129	-	-	-	-
All other	401	-	-	120	29,063	8,220	-
Total Revenues	<u>667,438</u>	<u>144,141</u>	<u>9,750</u>	<u>6,986</u>	<u>32,463</u>	<u>8,232</u>	<u>1,526</u>
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	8,455	-
Culture, recreation & education	695,629	-	-	3,829	18,578	-	-
Conservation and development	-	63,464	-	-	-	-	-
Capital outlay	-	-	-	66,231	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	<u>695,629</u>	<u>63,464</u>	<u>-</u>	<u>70,060</u>	<u>18,578</u>	<u>8,455</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,191)</u>	<u>80,677</u>	<u>9,750</u>	<u>(63,074)</u>	<u>13,885</u>	<u>(223)</u>	<u>1,526</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	20,000	-	-	256,127	-	-	-
Transfers out	(4,683)	-	-	-	-	-	-
Property sales	-	-	-	-	-	-	-
Debt service reimbursements	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>15,317</u>	<u>-</u>	<u>-</u>	<u>256,127</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(12,874)	80,677	9,750	193,053	13,885	(223)	1,526
Fund balances - beginning	<u>12,198</u>	<u>284,246</u>	<u>415,234</u>	<u>35,524</u>	<u>110,506</u>	<u>6,163</u>	<u>45,012</u>
Fund balances - ending	<u>\$ (676)</u>	<u>\$ 364,923</u>	<u>\$ 424,984</u>	<u>\$ 228,577</u>	<u>\$ 124,391</u>	<u>\$ 5,940</u>	<u>\$ 46,538</u>

Capital Projects Funds								
Wehmhoff	General Debt Service Fund	TIF No. 4	General Infrastructure	Downtown Redevelopment	Revolving Capital Projects	Stormwater Management	Facade Grants	Total Nonmajor Funds
\$ -	\$ 222,686	\$ 708,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,241,453
-	-	4,260	-	-	-	-	-	330,112
-	-	-	-	-	-	-	-	33,026
-	-	14,040	-	-	-	-	-	14,040
1,315	1,730	27,774	28,560	8,257	21,138	53	155	135,802
-	-	-	-	-	-	-	-	116,417
-	-	-	-	-	-	-	-	37,804
<u>1,315</u>	<u>224,416</u>	<u>754,224</u>	<u>28,560</u>	<u>8,257</u>	<u>21,138</u>	<u>53</u>	<u>155</u>	<u>1,908,654</u>
-	-	4,083	-	-	-	-	-	4,083
-	-	-	-	-	-	-	-	8,455
-	-	-	-	-	-	-	-	718,036
-	-	75,000	-	20,000	-	-	15,500	173,964
-	-	-	285,617	77,492	572,471	-	-	1,001,811
-	346,249	-	-	-	-	-	-	346,249
-	172,621	-	-	-	-	-	-	172,621
-	518,870	79,083	285,617	97,492	572,471	-	15,500	2,425,219
<u>1,315</u>	<u>(294,454)</u>	<u>675,141</u>	<u>(257,057)</u>	<u>(89,235)</u>	<u>(551,333)</u>	<u>53</u>	<u>(15,345)</u>	<u>(516,565)</u>
-	238,484	-	281,832	-	500,000	-	-	1,296,443
-	-	(1,599,421)	-	-	-	-	-	(1,604,104)
-	-	445,228	-	-	17,746	-	-	462,974
-	12,704	-	-	-	-	-	-	12,704
-	251,188	(1,154,193)	281,832	-	517,746	-	-	168,017
1,315	(43,266)	(479,052)	24,775	(89,235)	(33,587)	53	(15,345)	(348,548)
52,978	(8,056)	479,052	1,278,323	373,083	1,235,307	8,215	49,033	4,376,818
<u>\$ 54,293</u>	<u>\$ (51,322)</u>	<u>\$ -</u>	<u>\$ 1,303,098</u>	<u>\$ 283,848</u>	<u>\$ 1,201,720</u>	<u>\$ 8,268</u>	<u>\$ 33,688</u>	<u>\$ 4,028,270</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original and Final Budget	Actual	Variance - Positive (Negative)
<u>Taxes</u>			
General property taxes	\$ 4,417,028	\$ 4,417,050	\$ 22
Payments in lieu of taxes	25,263	26,201	938
Occupational tax	881	881	-
Room tax	21,165	25,876	4,711
Interest on personal property taxes	-	139	139
Total Taxes	4,464,337	4,470,147	5,810
<u>Intergovernmental</u>			
Shared taxes from state	789,469	795,233	5,764
Exempt computer aid	55,609	20,840	(34,769)
Fire insurance from state	27,000	28,101	1,101
Municipal services	2,700	2,709	9
General transportation aid	545,638	545,265	(373)
Connecting streets	99,083	99,083	-
State LRIP/TRIP grant	15,100	16,645	1,545
Recycling grants	39,150	49,391	10,241
State aid for police training	3,242	2,159	(1,083)
DNR aid in lieu of tax	-	298	298
Clean sweep grant	-	9,160	9,160
FEMA snowplowing aid	-	25,792	25,792
Department of Justice police vest aid	-	1,523	1,523
State safety grants	-	1,597	1,597
Total Intergovernmental	1,576,991	1,597,796	20,805
<u>Licenses and Permits</u>			
Business and occupational licenses	27,500	38,917	11,417
Weights and measures	7,200	6,080	(1,120)
Wisconsin cable TV licenses	99,490	104,494	5,004
Parking permits	3,000	2,340	(660)
Cell tower permit	39,120	42,423	3,303
Building and electrical permits	122,500	164,524	42,024
Right of way and zoning permits	9,000	7,888	(1,112)
Total Licenses and Permits	307,810	366,666	58,856
<u>Fines and Forfeitures</u>			
Court penalty costs	170,000	149,372	(20,628)
Parking violations	55,000	45,879	(9,121)
Total Fines and Forfeitures	\$ 225,000	\$ 195,251	(29,749)

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original and Final Budget	Actual	Variance - Positive (Negative)
<u>Charges for Services</u>			
Clerk's revenue	\$ 9,000	\$ 10,787	\$ 1,787
Police department	4,000	4,110	110
Fire department	10,000	18,885	8,885
Street department	-	3,114	3,114
Park revenue	6,000	3,406	(2,594)
	<u>29,000</u>	<u>40,302</u>	<u>11,302</u>
<u>Special Assessments</u>			
Sidewalks	15,000	14,802	(198)
<u>Interest</u>			
Investment earnings	55,138	95,430	40,292
Interest from airport debt	-	-	-
Interest on special assessments	100	590	490
	<u>55,238</u>	<u>96,020</u>	<u>40,782</u>
TIF Reimbursement for Deferred Advance	430,000	430,000	-
<u>Other</u>			
Lease revenue - Chocolate Fest	12,704	-	(12,704)
Lease of other city property	-	4,225	4,225
Insurance recoveries	-	17,039	17,039
Miscellaneous	3,000	663	(2,337)
	<u>15,704</u>	<u>21,927</u>	<u>6,223</u>
Total Other	<u>15,704</u>	<u>21,927</u>	<u>6,223</u>
Total Revenues	<u>\$ 7,119,080</u>	<u>\$ 7,232,911</u>	<u>\$ 113,831</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original and Final Budget	Actual	Variance - Positive (Negative)
<u>General Government</u>			
City council	\$ 53,369	\$ 45,279	\$ 8,090
Municipal court	79,846	70,465	9,381
City administrator	225,728	175,028	50,700
Finance - treasurer	166,458	146,483	19,975
City clerk	56,385	53,893	2,492
Elections	15,300	17,954	(2,654)
Assessor and board of review	40,574	41,344	(770)
City attorney	108,760	110,007	(1,247)
	<u>746,420</u>	<u>660,453</u>	<u>85,967</u>
<u>Public Safety</u>			
Police department	2,902,911	2,778,315	124,596
Fire department	651,329	647,493	3,836
Building inspector	210,506	202,503	8,003
	<u>3,764,746</u>	<u>3,628,311</u>	<u>136,435</u>
<u>Public Works</u>			
Street administration and maintenance	881,481	975,588	(94,107)
Street lighting	210,700	248,382	(37,682)
Curb and gutters	30,000	21,187	8,813
Storm sewers	6,000	5,992	8
Garbage collection	248,955	264,008	(15,053)
Recycling	85,198	86,920	(1,722)
Landfill	13,843	23,329	(9,486)
Clean sweep	19,181	8,881	10,300
Monitoring wells	3,000	2,505	495
	<u>1,498,358</u>	<u>1,636,792</u>	<u>(138,434)</u>
<u>Health and Human Services</u>			
Health officer	55,775	65,742	(9,967)
Dog pound	10,696	9,899	797
	<u>\$ 66,471</u>	<u>\$ 75,641</u>	<u>\$ (9,170)</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original and Final Budget	Actual	Variance - Positive (Negative)
<u>Culture, Recreation and Education</u>			
Historical society	\$ 1,100	\$ 1,000	\$ 100
Senior citizens	2,800	2,383	417
Parks	472,221	476,799	(4,578)
Total Culture, Recreation and Education	476,121	480,182	(4,061)
<u>Conservation and Development</u>			
Economic development	35,000	20,000	15,000
Planning commission	38,250	97,854	(59,604)
Town annexation revenue sharing	40,190	40,190	-
Total Conservation and Development	113,440	158,044	(44,604)
<u>Capital Outlay</u>			
Parks	45,000	-	45,000
Total Capital Outlay	45,000	-	45,000
Total Expenditures	<u>\$ 6,710,556</u>	<u>\$ 6,639,423</u>	<u>\$ 71,133</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

The following is a summary of the long-term debt of the city as of December 31, 2008

<u>General Obligation Debt</u>	<u>Outstanding Principal 12/31/2008</u>
2001 refunding bonds (TIF No. 3, TIF No. 4 and general city purposes)	\$ 1,340,000
2001 refunding bonds (TIF No. 3 purposes)	9,340,000
2001 community development bonds (TIF No. 3 and TIF No. 4 purposes)	5,050,000
2004 state trust fund loan (retirement obligation loan)	622,887
2004 refunding bonds (sewer utility purposes)	2,470,000
2007 refunding bonds	1,500,000
	<u>\$ 20,322,887</u>

2001 General Obligation Refunding Bonds

The proceeds of this issue were used to refund the remaining balances of the 1992 promissory notes (365,000) and the 1995 promissory notes (\$2,450,000). Interest is charged at rates of 2.40% to 4.10%. The original principal balance of the bonds totaling \$2,845,000 was allocated to TIF No. 3 in the amount of \$705,000 (24.7%), TIF No. 4 in the amount of \$1,035,000 (36.4%) and general city capital projects in the amount of \$1,105,000 (38.9%).

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2009	\$ 370,000	\$ 26,875	\$ 396,875
November 1, 2009	-	19,660	19,660
May 1, 2010	450,000	19,660	469,660
November 1, 2010	-	10,660	10,660
May 1, 2011	520,000	10,660	530,660
	<u>\$ 1,340,000</u>	<u>\$ 87,515</u>	<u>\$ 1,427,515</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

2001 General Obligation Refunding Bonds

The proceeds of this issue were used to refund the 1999 bond anticipation notes. The proceeds from those refunded bonds were used to finance project costs in the city's TIF No. 3. Interest is charged at rates of 4.00% to 4.80%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2009	\$ -	\$ 211,910	\$ 211,910
October 1, 2009	450,000	211,910	661,910
April 1, 2010	-	202,910	202,910
October 1, 2010	500,000	202,910	702,910
April 1, 2011	-	192,785	192,785
October 1, 2011	600,000	192,785	792,785
April 1, 2012	-	180,035	180,035
October 1, 2012	650,000	180,035	830,035
April 1, 2013	-	165,410	165,410
October 1, 2013	700,000	165,410	865,410
April 1, 2014	-	149,660	149,660
October 1, 2014	750,000	149,660	899,660
April 1, 2015	-	132,785	132,785
October 1, 2015	800,000	132,785	932,785
April 1, 2016	-	114,785	114,785
October 1, 2016	850,000	114,785	964,785
April 1, 2017	-	95,447	95,447
October 1, 2017	900,000	95,448	995,448
April 1, 2018	-	74,635	74,635
October 1, 2018	950,000	74,635	1,024,635
April 1, 2019	-	52,310	52,310
October 1, 2019	1,000,000	52,310	1,052,310
April 1, 2020	-	28,560	28,560
October 1, 2020	1,190,000	28,560	1,218,560
	<u>\$ 9,340,000</u>	<u>\$ 3,202,465</u>	<u>\$ 12,542,465</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

2001 General Obligation Community Development Bonds

The proceeds of this issue were allocated to TIF no. 3 (\$5,700,000) and TIF no. 4 (\$800,000) to finance continuing project costs of each district. Interest is charged at rates of 3.00% to 4.45%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2009	\$ 350,000	\$ 105,312	\$ 455,312
November 1, 2009	-	98,313	98,313
May 1, 2010	500,000	98,312	598,312
November 1, 2010	-	88,313	88,313
May 1, 2011	550,000	88,312	638,312
November 1, 2011	-	77,313	77,313
May 1, 2012	700,000	77,312	777,312
November 1, 2012	-	63,313	63,313
May 1, 2013	750,000	63,312	813,312
November 1, 2013	-	47,750	47,750
May 1, 2014	900,000	47,750	947,750
November 1, 2014	-	28,625	28,625
May 1, 2015	600,000	28,625	628,625
November 1, 2015	-	15,575	15,575
May 1, 2016	700,000	15,575	715,575
	<u>5,050,000</u>	<u>943,712</u>	<u>5,993,712</u>

2004 State Trust Fund Loan

The proceeds of this issue were used to refund the unfunded pension liability. Interest is charged at a rate of 5.25%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 15, 2009	29,826	32,701	62,527
March 15, 2010	31,392	31,136	62,528
March 15, 2011	33,040	29,488	62,528
March 15, 2012	34,699	27,829	62,528
March 15, 2013	36,596	25,931	62,527
March 15, 2014	38,518	24,010	62,528
March 15, 2015	40,540	21,988	62,528
March 15, 2016	42,614	19,914	62,528
March 15, 2017	44,906	17,622	62,528
March 15, 2018	47,263	15,265	62,528
March 15, 2019	49,744	12,783	62,527
March 15, 2020	52,328	10,200	62,528
March 15, 2021	55,103	7,424	62,527
March 15, 2022	57,996	4,532	62,528
March 15, 2023	28,322	1,487	29,809
	<u>\$ 622,887</u>	<u>\$ 282,310</u>	<u>\$ 905,197</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

2004 General Obligation Refunding Bonds

The proceeds of this issue were used to refund the 1996 sewerage bonds. Interest is charged at a rates of 2.00% to 3.50%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2009	\$ -	\$ 39,059	\$ 39,059
November 1, 2009	230,000	39,059	269,059
May 1, 2010	-	36,184	36,184
November 1, 2010	225,000	36,184	261,184
May 1, 2011	-	32,950	32,950
November 1, 2011	245,000	32,950	277,950
May 1, 2012	-	29,397	29,397
November 1, 2012	570,000	29,398	599,398
May 1, 2013	-	20,420	20,420
November 1, 2013	580,000	20,420	600,420
May 1, 2014	-	10,850	10,850
November 1, 2014	620,000	10,850	630,850
	<u>\$ 2,470,000</u>	<u>\$ 337,721</u>	<u>\$ 2,807,721</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

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, 2009	\$ -	\$ 31,988	\$ 31,988
October 1, 2009	-	31,988	31,988
April 1, 2010	-	31,988	31,988
October 1, 2010	-	31,988	31,988
April 1, 2011	-	31,988	31,988
October 1, 2011	-	31,988	31,988
April 1, 2012	-	31,988	31,988
October 1, 2012	-	31,988	31,988
April 1, 2013	-	31,988	31,988
October 1, 2013	-	31,988	31,988
April 1, 2014	-	31,988	31,988
October 1, 2014	-	31,988	31,988
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>\$ 889,294</u>	<u>\$ 2,389,294</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Other Long-Term Obligations</u>	Outstanding Principal 12/31/2008
2000 tax increment project revenue bonds- Memorial Hospital	\$ 633,767
2000 tax increment project revenue bonds - Shiloh Hills	2,000
2000 community development lease revenue bonds	1,300,000
2005 community development lease revenue refunding bonds	11,400,000
	\$ 13,335,767

2000 Tax Increment Project Revenue Bond - Memorial Hospital Corporation

This bond was issued for the payment of a tax incremental financing incentive agreement with Memorial Hospital Corporation.

	Principal	Interest	Total
March 1, 2009	\$ 80,000	\$ -	\$ 80,000
September 1, 2009	80,000	-	80,000
March 1, 2010	82,500	-	82,500
September 1, 2010	82,500	-	82,500
March 1, 2011	34,500	-	34,500
September 1, 2011	34,500	-	34,500
March 1, 2012	34,500	-	34,500
September 1, 2012	34,500	-	34,500
March 1, 2013	34,500	-	34,500
September 1, 2013	75,000	-	75,000
March 1, 2014	60,267	-	60,267
September 1, 2014	1,000	-	1,000
	633,767	-	633,767

2000 Tax Increment Project Revenue Bond - Shiloh Hills Subdivision

This bond was issued for the payment of a tax incremental financing incentive agreement with the Shiloh Hills Subdivision developer.

	Principal	Interest	Total
March 1 and September 1, 2009 (\$1,000 each payment)	2,000	-	2,000
	2,000	-	2,000

2000 Community Development Lease Revenue Bonds

The proceeds from this issue were used for the riverfront development project. Interest is charged at rates of 4.40% to 5.65%

	Principal	Interest	Total
April 1, 2009	625,000	31,537	656,537
October 1, 2009	-	16,538	16,538
April 1, 2010	675,000	16,537	691,537
	\$ 1,300,000	\$ 64,612	\$ 1,364,612

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

2005 Community Development Lease Revenue Refunding Bonds

The proceeds from this issue were used to partially refund the 2000 Community Development bonds.

Interest is charged at rates of 2.70% to 4.25%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2009	\$ 150,000	\$ 219,012	\$ 369,012
October 1, 2009	-	216,763	216,763
April 1, 2010	150,000	216,762	366,762
October 1, 2010	-	214,363	214,363
April 1, 2011	1,000,000	214,362	1,214,362
October 1, 2011	-	197,863	197,863
April 1, 2012	1,050,000	197,862	1,247,862
October 1, 2012	-	179,750	179,750
April 1, 2013	1,050,000	179,750	1,229,750
October 1, 2013	-	161,375	161,375
April 1, 2014	1,100,000	161,375	1,261,375
October 1, 2014	-	141,575	141,575
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
	<u>11,400,000</u>	<u>3,178,750</u>	<u>14,578,750</u>

Outstanding
Principal
12/31/2008

Utility Revenue Debt

1991 revenue bonds - Clean Water Fund	\$ 3,565,371
2002 revenue bonds	2,220,000
2003 mortgage revenue bonds	290,000
2008 revenue bonds - Clean Water Fund (No. 5096-02)	2,281,233
2008 revenue bonds - Clean Water Fund (No. 5096-04)	926,948
	<u>\$ 9,283,552</u>

1991 Clean Water Fund Loan

The proceeds from this issue were used for construction of the city's wastewater treatment plant.

Interest is charged at the rate of 3.60%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2009	1,146,681	64,178	1,210,859
November 1, 2009	-	43,535	43,535
May 1, 2010	1,187,961	43,535	1,231,496
November 1, 2010	-	22,155	22,155
May 1, 2011	1,230,729	22,153	1,252,882
	<u>\$ 3,565,371</u>	<u>\$ 195,556</u>	<u>\$ 3,760,927</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

2002 Water Revenue Bonds

The proceeds from this issue were used for various water utility improvements. Interest is charged at rates of 4.00% of 5.00%.

	Principal	Interest	Total
April 1, 2009	\$ -	\$ 51,843	\$ 51,843
October 1, 2009	60,000	51,843	111,843
April 1, 2010	-	50,643	50,643
October 1, 2010	65,000	50,643	115,643
April 1, 2011	-	49,343	49,343
October 1, 2011	125,000	49,343	174,343
April 1, 2012	-	46,687	46,687
October 1, 2012	135,000	46,687	181,687
April 1, 2013	-	43,818	43,818
October 1, 2013	145,000	43,818	188,818
April 1, 2014	-	40,701	40,701
October 1, 2014	150,000	40,701	190,701
April 1, 2015	-	37,401	37,401
October 1, 2015	160,000	37,401	197,401
April 1, 2016	-	33,801	33,801
October 1, 2016	165,000	33,801	198,801
April 1, 2017	-	30,047	30,047
October 1, 2017	175,000	30,047	205,047
April 1, 2018	-	26,000	26,000
October 1, 2018	185,000	26,000	211,000
April 1, 2019	-	21,375	21,375
October 1, 2019	195,000	21,375	216,375
April 1, 2020	-	16,500	16,500
October 1, 2020	210,000	16,500	226,500
April 1, 2021	-	11,250	11,250
October 1, 2021	220,000	11,250	231,250
April 1, 2022	-	5,750	5,750
October 1, 2022	230,000	5,750	235,750
	<u>2,220,000</u>	<u>930,318</u>	<u>3,150,318</u>

2003 Water Revenue Bonds

The proceeds from this issue were used for various water utility improvements. Interest is charged at rates of 4.00% to 5.00%.

	Principal	Interest	Total
April 1, 2009	-	4,314	4,314
October 1, 2009	145,000	4,314	149,314
April 1, 2010	-	2,248	2,248
October 1, 2010	145,000	2,248	147,248
	<u>\$ 290,000</u>	<u>\$ 13,124</u>	<u>\$ 303,124</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

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%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2009	\$ 88,685	\$ 29,464	\$ 118,149
November 1, 2009	-	28,163	28,163
May 1, 2010	90,963	28,163	119,126
November 1, 2010	-	26,995	26,995
May 1, 2011	93,300	26,995	120,295
November 1, 2011	-	25,796	25,796
May 1, 2012	95,697	25,796	121,493
November 1, 2012	-	24,567	24,567
May 1, 2013	98,156	24,567	122,723
November 1, 2013	-	23,306	23,306
May 1, 2014	100,677	23,306	123,983
November 1, 2014	-	22,013	22,013
May 1, 2015	103,264	22,013	125,277
November 1, 2015	-	20,687	20,687
May 1, 2016	105,917	20,687	126,604
November 1, 2016	-	19,326	19,326
May 1, 2017	108,638	19,326	127,964
November 1, 2017	-	17,931	17,931
May 1, 2018	111,428	17,931	129,359
November 1, 2018	-	16,500	16,500
May 1, 2019	114,291	16,500	130,791
November 1, 2019	-	15,031	15,031
May 1, 2020	117,227	15,031	132,258
November 1, 2020	-	13,526	13,526
May 1, 2021	120,239	13,526	133,765
November 1, 2021	-	11,981	11,981
May 1, 2022	123,328	11,981	135,309
November 1, 2022	-	10,397	10,397
May 1, 2023	126,496	10,397	136,893
November 1, 2023	-	8,772	8,772
May 1, 2024	129,746	8,772	138,518
November 1, 2024	-	7,106	7,106
May 1, 2025	133,079	7,106	140,185
November 1, 2025	-	5,396	5,396
May 1, 2026	136,498	5,395	141,893
November 1, 2026	-	3,643	3,643
May 1, 2027	140,004	3,643	143,647
November 1, 2027	-	1,845	1,845
May 1, 2028	143,600	1,845	145,445
	<u>\$ 2,281,233</u>	<u>\$ 635,425</u>	<u>\$ 2,916,657</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

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, 2009	\$ 39,209	\$ 10,927	\$ 50,136
November 1, 2009	-	10,498	10,498
May 1, 2010	40,136	10,498	50,634
November 1, 2010	-	10,023	10,023
May 1, 2011	41,085	10,023	51,108
November 1, 2011	-	9,537	9,537
May 1, 2012	42,057	9,537	51,594
November 1, 2012	-	9,040	9,040
May 1, 2013	43,052	9,040	52,092
November 1, 2013	-	8,531	8,531
May 1, 2014	44,070	8,531	52,601
November 1, 2014	-	8,010	8,010
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	59,720	706	60,426
	<u>\$ 926,948</u>	<u>\$ 223,553</u>	<u>\$ 1,150,501</u>