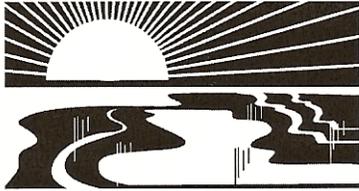


CITY OF BURLINGTON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2012

CITY OF BURLINGTON
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For the Year Ended December 31, 2012

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

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Independent Auditor's Report

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Burlington's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington as of December 31, 2012, and the respective changes in financial position and, where applicable, the cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 7, 2013, on my consideration of the City of Burlington's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Burlington's internal control over financial reporting and compliance.



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

Lake Geneva, Wisconsin
June 7, 2013

CITY OF BURLINGTON
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		Housing Authority
Assets				
Pooled cash and investments	\$ 4,970,296	\$ 729,561	\$ 5,699,857	\$ 54,600
Receivables:				
2012 tax levy	9,731,004	-	9,731,004	-
Delinquent personal property tax (net of allowance for uncollectible accounts)	32,882	-	32,882	-
Accounts and other	19,205	1,239,820	1,259,025	-
Special assessments	60,482	322,343	382,825	-
Internal balances	768,161	(768,161)	-	-
Inventories	-	42,709	42,709	-
Prepaid items	13,062	-	13,062	4,167
Restricted assets:				
Cash and investments	1,347,430	47,753	1,395,183	97,018
Unamortized debt issuance costs	481,882	126,851	608,733	-
Notes receivable	1,882,827	-	1,882,827	-
Capital assets (net of accumulated depreciation):				
Land and land rights	20,078,006	1,173,332	21,251,338	87,236
Buildings and improvements	8,788,171	21,751,496	30,539,667	2,241,920
Land improvements and other structures	3,625,016	2,054,267	5,679,283	183,564
Machinery and equipment	6,879,579	12,013,736	18,893,315	132,924
Infrastructure	40,259,521	31,470,959	71,730,480	-
Construction in progress	-	2,126,035	2,126,035	-
Less: accumulated depreciation	(24,858,822)	(27,918,345)	(52,777,167)	(1,613,835)
Total assets	<u>74,078,702</u>	<u>44,412,356</u>	<u>118,491,058</u>	<u>1,187,594</u>
Liabilities				
Accounts payable and other current liabilities	574,761	568,884	1,143,645	5,732
Accrued interest payable	205,512	13,523	219,035	-
Deposits held	16,457	3,000	19,457	28,465
Deferred revenue	10,172,183	-	10,172,183	-
Liabilities payable from restricted assets:				
Accrued interest payable	-	37,538	37,538	-
Non-current liabilities:				
Unamortized debt premium	118,379	32,569	150,948	-
Compensated absences, due beyond one year	311,673	69,388	381,061	-
Bonds and notes payable, due within one year	2,939,880	1,047,225	3,987,105	45,860
Bonds and notes payable, due beyond one year	28,175,332	10,790,755	38,966,087	798,717
Total liabilities	<u>42,514,177</u>	<u>12,562,882</u>	<u>55,077,059</u>	<u>878,774</u>
Net Position				
Invested in capital assets, net of related debt	24,138,141	30,850,545	54,988,686	187,232
Restricted for debt service	1,347,430	47,753	1,395,183	69,089
Unrestricted	6,078,954	951,176	7,030,131	52,499
Total net position	<u>\$ 31,564,525</u>	<u>\$ 31,849,474</u>	<u>\$ 63,413,999</u>	<u>\$ 308,820</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, 2012

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 909,104	\$ 43,088	\$ -	\$ -
Public safety	3,971,950	317,562	62,978	-
Public works	3,448,140	41,350	484,893	20,572
Health and human services	72,780	-	-	-
Culture, recreation and education	1,566,098	51,306	335,249	36,162
Conservation and development	675,537	-	-	-
Interest on long-term debt	1,044,442	-	-	-
Total governmental activities	<u>11,688,051</u>	<u>453,306</u>	<u>883,120</u>	<u>56,734</u>
Business-type activities:				
Water	1,756,402	2,332,569	-	321,115
Sewer	3,021,996	2,588,376	-	409,508
Airport	943,479	891,590	-	-
Total business-type activities	<u>5,721,877</u>	<u>5,812,535</u>	<u>-</u>	<u>730,623</u>
Total primary government	<u>17,409,928</u>	<u>6,265,841</u>	<u>883,120</u>	<u>787,357</u>
Component unit:				
Housing authority	<u>\$ 365,488</u>	<u>\$ 385,395</u>	<u>\$ -</u>	<u>\$ -</u>

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 position

Net position - beginning , as restated

Net position - ending

See accompanying notes to financial statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Authority
\$ (866,016)	\$ -	\$ (866,016)	\$ -
(3,591,410)	-	(3,591,410)	-
(2,901,325)	-	(2,901,325)	-
(72,780)	-	(72,780)	-
(1,143,381)	-	(1,143,381)	-
(675,537)	-	(675,537)	-
(1,044,442)	-	(1,044,442)	-
<u>(10,294,891)</u>	<u>-</u>	<u>(10,294,891)</u>	<u>-</u>
-	897,282	897,282	-
-	(24,112)	(24,112)	-
<u>-</u>	<u>(51,889)</u>	<u>(51,889)</u>	<u>-</u>
<u>-</u>	<u>821,281</u>	<u>821,281</u>	<u>-</u>
<u>(10,294,891)</u>	<u>821,281</u>	<u>(9,473,610)</u>	<u>-</u>
			<u>19,907</u>
9,929,772	-	9,929,772	-
134,355	-	134,355	-
47,042	-	47,042	-
31,340	-	31,340	-
930	-	930	-
693,873	-	693,873	-
57,168	-	57,168	-
388,820	-	388,820	(3,309)
180,200	28,757	208,957	80
390,230	(390,230)	-	-
<u>11,853,730</u>	<u>(361,473)</u>	<u>11,492,257</u>	<u>(3,229)</u>
1,558,839	459,808	2,018,647	16,678
<u>30,005,686</u>	<u>31,389,966</u>	<u>61,395,652</u>	<u>292,142</u>
<u>\$ 31,564,525</u>	<u>\$ 31,849,774</u>	<u>\$ 63,414,299</u>	<u>\$ 308,820</u>

A two-page balance sheet - governmental funds follows.

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General	TIF No. 3 Debt Service Fund	Environmental TIF Capital Projects	Infrastructure Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Pooled cash and investments	\$ 1,588,308	\$ -	\$ -	\$ 513,244	\$ 2,817,259	\$ 4,918,811
Receivables:						
2012 tax levy	4,652,411	4,161,342	46,751	-	870,500	9,731,004
Delinquent personal property	32,882	-	-	-	-	32,882
Accounts and other	13,019	-	-	-	-	13,019
Special assessments	60,482	-	-	-	-	60,482
Due from other funds	789,673	-	-	-	-	789,673
Prepaid items	13,062	-	-	-	-	13,062
Restricted assets:						
Cash and investments	-	1,347,430	-	-	-	1,347,430
Advances to other funds	266,822	1,771,462	-	-	-	2,038,284
Notes receivable	-	-	1,127,615	-	755,212	1,882,827
Total assets	<u>7,416,659</u>	<u>7,280,234</u>	<u>1,174,366</u>	<u>513,244</u>	<u>4,442,971</u>	<u>20,827,474</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued expenses	258,096	-	546	55,420	30,086	344,148
Due to other funds	-	-	11,497	-	10,015	21,512
Deposits held	16,457	-	-	-	-	16,457
Deferred revenue	5,360,412	4,161,342	1,174,366	-	1,625,712	12,321,832
Deferred special assessments	67,854	-	-	-	-	67,854
Advances from other funds	-	266,822	1,771,462	-	-	2,038,284
Total liabilities	<u>5,702,819</u>	<u>4,428,164</u>	<u>2,957,871</u>	<u>55,420</u>	<u>1,665,813</u>	<u>14,810,087</u>

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General	TIF No. 3 Debt Service Fund	Environmental TIF District	Infrastructure Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Nonspendable for:						
Delinquent taxes receivable	32,882	-	-	-	-	32,882
Prepaid expenditures	13,062	-	-	-	-	13,062
Permanent funds	-	-	-	-	52,131	52,131
Net advances to other funds	-	1,771,462	-	-	-	1,771,462
Restricted	-	1,080,608	(1,783,505)	457,824	-	(245,073)
Assigned	300,000	-	-	-	2,725,027	3,025,027
Unassigned	1,367,896	-	-	-	-	1,367,896
Total fund balances	1,713,840	2,852,070	(1,783,505)	457,824	2,777,158	6,017,387
Total liabilities and fund balances	\$ 7,416,659	\$ 7,280,234	\$ 1,174,366	\$ 513,244	\$ 4,442,971	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	54,771,471
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,217,503
Internal service funds are used by management to charge the costs of health and dental insurance benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(172,941)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(31,268,895)
Net position of governmental activities	\$ 31,564,525

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, 2012

	General	TIF No. 3 Debt Service Fund	Environmental TIF Capital Projects	Infrastructure Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>						
Taxes:						
General property taxes	\$ 4,165,221	\$ 4,382,416	\$ 48,176	\$ -	\$ 1,333,959	\$ 9,929,772
Payments in lieu of taxes	31,340	-	-	-	-	31,340
Occupational taxes	881	-	-	-	-	881
Room tax and other taxes	47,091	-	-	-	-	47,091
Intergovernmental	1,219,655	16,852	-	-	354,910	1,591,417
Licenses and permits	321,130	-	-	-	-	321,130
Fines and forfeitures	194,179	-	-	-	-	194,179
Charges for services	54,267	-	-	-	32,261	86,528
Special assessments	11,373	-	-	-	14,040	25,413
Investment earnings	8,497	62,601	80,732	4,300	24,070	180,200
TIF repayment of deferred advance	100,000	-	-	-	-	100,000
Repayments of note receivable principal	-	-	27,919	-	36,443	64,362
Other	37,433	-	-	-	23,023	60,456
Total revenues	<u>6,191,067</u>	<u>4,461,869</u>	<u>156,827</u>	<u>4,300</u>	<u>1,818,706</u>	<u>12,632,769</u>
<u>Expenditures</u>						
Current:						
General government	848,633	14,623	1,487	-	3,000	867,743
Public safety	3,561,189	-	-	-	9,459	3,570,648
Public works	2,026,515	-	-	-	-	2,026,515
Health and human services	72,780	-	-	-	-	72,780
Culture, recreation and education	590,287	-	-	-	745,013	1,335,300
Conservation and development	186,399	295,348	-	-	482,374	964,121
Capital outlay	126,759	-	-	1,668,348	619,772	2,414,879
Debt service:						
Principal	-	2,369,747	76,205	-	449,195	2,895,147
Interest and fiscal charges	-	651,365	97,447	-	194,993	943,805
Bond issuance costs	-	-	9,289	34,913	8,461	52,663
Total expenditures	<u>7,412,562</u>	<u>3,331,083</u>	<u>184,428</u>	<u>1,703,261</u>	<u>2,512,267</u>	<u>15,143,601</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,221,495)</u>	<u>1,130,786</u>	<u>(27,601)</u>	<u>(1,698,961)</u>	<u>(693,561)</u>	<u>(2,510,832)</u>
<u>Other Financing Sources (Uses)</u>						
Transfers in	219,831	-	-	-	25,000	244,831
Transfers out	(25,000)	-	-	-	(219,831)	(244,831)
Refunding bonds issued	-	-	762,500	-	697,500	1,460,000
General obligation bonds issued	-	-	-	3,155,000	-	3,155,000
Discount on bonds issued	-	-	(5,805)	(14,713)	(5,314)	(25,832)
Principal paid on refunded debt	-	-	(739,214)	-	(674,382)	(1,413,596)
Water utility tax equivalent	390,230	-	-	-	-	390,230
Sale of capital assets	370,481	-	-	-	37,335	407,816
Total other financing sources and uses	<u>955,542</u>	<u>-</u>	<u>17,481</u>	<u>3,140,287</u>	<u>(139,692)</u>	<u>3,973,618</u>
Net change in fund balances	<u>(265,953)</u>	<u>1,130,786</u>	<u>(10,120)</u>	<u>1,441,326</u>	<u>(833,253)</u>	<u>1,462,786</u>
Fund balances - beginning	<u>1,979,793</u>	<u>1,721,284</u>	<u>(1,773,385)</u>	<u>(983,502)</u>	<u>3,610,411</u>	<u>4,554,601</u>
Fund balances - ending	<u>\$ 1,713,840</u>	<u>\$ 2,852,070</u>	<u>\$ (1,783,505)</u>	<u>\$ 457,824</u>	<u>\$ 2,777,158</u>	<u>\$ 6,017,387</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, 2012

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) \$ 1,462,786

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Certain capital outlay costs that are recorded as capital assets in the government-wide financial statements	2,197,287
Depreciation expense is recorded in the government-wide statements	(1,622,969)
Net book value of assets retired or traded affects net position	(18,996)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Special assessments levied	24,846
----------------------------	--------

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.

Collection of special assessments	(25,413)
Collection of advances and loans	(164,362)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. 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.

Principal and defeasance payments on long-term debt	4,596,402
Issuance of general obligation debt	(4,615,000)
Discounts in the issuance of long-term debt	25,832
Bond issuance costs	52,663
Amortization of debt issuance costs, discounts and refunding costs	(140,135)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in interest accrued on long-term debt	40,423
Changes in compensated absences	32,318

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

(286,843)

Change in net position of governmental activities (Pages 4 - 5)	<u>\$ 1,558,839</u>
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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, 2012

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget</u>
<u>Revenues</u>			
Taxes:			
General property taxes	\$ 4,119,672	\$ 4,165,221	\$ 45,549
Payments in lieu of taxes	42,508	31,340	(11,168)
Occupational tax	881	881	-
Room tax	55,000	47,042	(7,958)
Other taxes	4,000	49	(3,951)
Intergovernmental	1,259,584	1,219,655	(39,929)
Licenses and permits	274,026	321,130	47,104
Fines and forfeitures	225,000	194,179	(30,821)
Charges for services	46,700	54,267	7,567
Special assessments	73,782	11,373	(62,409)
Investment income	6,150	8,497	2,347
TIF reimbursement for deferred advance	100,000	100,000	-
Other	18,600	37,433	18,833
Total revenues	<u>6,225,903</u>	<u>6,191,067</u>	<u>(34,836)</u>
<u>Expenditures</u>			
Current:			
General government	861,384	848,633	12,751
Public safety	3,523,611	3,561,189	(37,578)
Public works	1,825,161	2,026,515	(201,354)
Health and human services	102,149	72,780	29,369
Culture, recreation and education	541,120	590,287	(49,167)
Conservation and development	155,521	186,399	(30,878)
Capital outlay	150,000	126,759	23,241
Total expenditures	<u>7,158,946</u>	<u>7,412,562</u>	<u>(253,616)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(933,043)</u>	<u>(1,221,495)</u>	<u>(288,452)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	207,658	219,831	12,173
Transfers out	(192,309)	(25,000)	167,309
Water utility tax equivalent	431,331	390,230	(41,101)
Sale of capital assets	525,000	370,481	(154,519)
Total other financing sources and uses	<u>971,680</u>	<u>955,542</u>	<u>(16,138)</u>
Change in fund balances	38,637	(265,953)	(304,590)
Fund balances - beginning	<u>1,979,793</u>	<u>1,979,793</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,018,430</u>	<u>\$ 1,713,840</u>	<u>\$ (304,590)</u>

See accompanying notes to financial statements.

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

CITY OF BURLINGTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Airport</u>	<u>Totals</u>	
<u>Assets</u>					
Current assets:					
Cash and investments	\$ 29,175	\$ -	\$ 250,978	\$ 280,153	\$ 500,894
Receivables:					
Customer accounts receivable	577,426	420,478	20,156	1,018,060	-
Special assessments	130,048	192,295	-	322,343	-
Other	122,394	99,366	-	221,760	6,186
Inventories	11,856	-	30,853	42,709	-
Total current assets	<u>870,899</u>	<u>712,139</u>	<u>301,987</u>	<u>1,885,025</u>	<u>507,080</u>
Noncurrent assets:					
Restricted assets:					
Restricted cash and investments	47,419	334	-	47,753	-
Other noncurrent assets:					
Unamortized debt issuance costs	77,537	49,314	-	126,851	-
Capital assets:					
Property, plant and equipment	23,740,873	44,326,521	2,522,431	70,589,825	-
Less accumulated depreciation	(5,727,288)	(21,067,253)	(1,123,804)	(27,918,345)	-
Total capital assets, net	<u>18,013,585</u>	<u>23,259,268</u>	<u>1,398,627</u>	<u>42,671,480</u>	<u>-</u>
Total noncurrent assets	<u>18,138,541</u>	<u>23,308,916</u>	<u>1,398,627</u>	<u>42,846,084</u>	<u>-</u>
Total assets	<u>\$ 19,009,440</u>	<u>\$ 24,021,055</u>	<u>\$ 1,700,614</u>	<u>\$ 44,731,109</u>	<u>\$ 507,080</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Airport</u>	<u>Totals</u>	
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	\$ 61,643	\$ 485,622	\$ 3,730	\$ 550,995	\$ 230,612
Accrued payroll	6,492	11,397	-	17,889	-
Accrued interest payable	3,524	9,999	-	13,523	-
Due to other funds	456,625	311,536	-	768,161	-
Current portion of general obligation bonds	20,000	605,000	-	625,000	-
Deposits held	-	3,000	-	3,000	-
Total current liabilities	<u>548,284</u>	<u>1,426,554</u>	<u>3,730</u>	<u>1,978,568</u>	<u>230,612</u>
Current liabilities payable from restricted assets:					
Current portion of revenue bonds payable	185,343	236,882	-	422,225	-
Accrued interest payable	16,523	21,015	-	37,538	-
Total current liabilities payable from restricted assets	<u>201,866</u>	<u>257,897</u>	<u>-</u>	<u>459,763</u>	<u>-</u>
Noncurrent liabilities:					
Revenue bonds payable	3,682,121	4,823,634	-	8,505,755	-
General obligation bonds payable	660,000	1,625,000	-	2,285,000	-
Unamortized debt premium	-	32,269	-	32,269	-
Compensated absences	38,026	31,362	-	69,388	-
Total noncurrent liabilities	<u>4,380,147</u>	<u>6,512,265</u>	<u>-</u>	<u>10,892,412</u>	<u>-</u>
Total liabilities	<u>5,130,297</u>	<u>8,196,716</u>	<u>3,730</u>	<u>13,330,743</u>	<u>230,612</u>
<u>Net Position</u>					
Invested in capital assets, net of related debt	13,466,121	15,985,797	1,398,627	30,850,545	-
Restricted for debt service	47,419	334	-	47,753	-
Unrestricted	365,603	(161,792)	298,257	502,068	276,468
Total net position	<u>\$ 13,879,143</u>	<u>\$ 15,824,339</u>	<u>\$ 1,696,884</u>	<u>\$ 31,400,366</u>	<u>\$ 276,468</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Airport</u>	<u>Totals</u>	
<u>Operating Revenues</u>					
Charges for sales and services:					
Water sales	\$ 2,319,371	\$ -	\$ -	\$ 2,319,371	\$ -
Sewer charges	-	2,547,147	-	2,547,147	-
Fuel sales	-	-	860,137	860,137	-
Billings to departments	-	-	-	-	1,248,748
Other	13,198	41,229	31,453	85,880	68,418
Total operating revenues	<u>2,332,569</u>	<u>2,588,376</u>	<u>891,590</u>	<u>5,812,535</u>	<u>1,317,166</u>
<u>Operating Expenses</u>					
Operation and maintenance	1,012,316	1,493,213	105,253	2,610,782	-
Fuel for resale	-	-	743,644	743,644	-
Depreciation	525,664	1,307,845	83,886	1,917,395	-
Taxes	26,523	38,222	10,696	75,441	-
Insurance claims and administration	-	-	-	-	1,562,477
Total operating expenses	<u>1,564,503</u>	<u>2,839,280</u>	<u>943,479</u>	<u>5,347,262</u>	<u>1,562,477</u>
Operating income (loss)	<u>768,066</u>	<u>(250,904)</u>	<u>(51,889)</u>	<u>465,273</u>	<u>(245,311)</u>
<u>Nonoperating Revenues (Expenses)</u>					
Investment income	12,009	16,727	21	28,757	1,383
Interest expense	(108,588)	(218,295)	-	(326,883)	-
Amortization expense	(22,116)	(6,761)	-	(28,877)	-
Total nonoperating revenue (expenses)	<u>(118,695)</u>	<u>(208,329)</u>	<u>21</u>	<u>(327,003)</u>	<u>1,383</u>
Income before contributions and transfers	649,371	(459,233)	(51,868)	138,270	(243,928)
Capital contributions	321,115	409,508	-	730,623	-
Transfer in	-	122,434	-	122,434	-
Tax equivalent to municipality	(451,999)	-	-	(451,999)	-
Transfers out - other	(122,434)	-	-	(122,434)	-
Change in net position	<u>396,053</u>	<u>72,709</u>	<u>(51,868)</u>	<u>416,894</u>	<u>(243,928)</u>
Total net position - beginning of year	<u>13,483,090</u>	<u>15,751,630</u>	<u>1,748,752</u>	<u>30,983,472</u>	<u>520,396</u>
Total net position - end of year	<u>\$ 13,879,143</u>	<u>\$ 15,824,339</u>	<u>\$ 1,696,884</u>	<u>31,400,366</u>	<u>\$ 276,468</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>449,408</u>	
Net position of business - type activities (page 3)				<u>\$ 31,849,774</u>	

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, 2012

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
<u>Cash Flows from Operating Activities</u>					
Receipts from customers and users	\$ 2,309,210	\$ 2,603,657	\$ 880,593	\$ 5,793,460	\$ -
Receipts from interfund services provided	-	-	-	-	1,328,525
Payments to suppliers	(818,881)	(303,318)	(856,886)	(1,979,085)	-
Payments to employees	(361,849)	(522,810)	-	(884,659)	-
Payments for interfund services used	-	-	-	-	(1,441,037)
Net cash provided by (used for) operating activities	<u>1,128,480</u>	<u>1,777,529</u>	<u>23,707</u>	<u>2,929,716</u>	<u>(112,512)</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Transfers in (out)	<u>(574,433)</u>	<u>122,434</u>	<u>-</u>	<u>(451,999)</u>	<u>-</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Capital contributions	227,142	409,508	-	636,650	-
Acquisition and construction of capital assets	(525,844)	(2,011,053)	-	(2,536,897)	-
Salvage and insurance proceeds on capital assets	6,888	-	-	6,888	-
Due to general fund for construction advances	(2,103,571)	-	-	(2,103,571)	-
Face value of bonds issued	2,044,276	519,230	-	2,563,506	-
Principal paid on bonds	(177,909)	(826,032)	-	(1,003,941)	-
Interest paid on bonds	(102,598)	(176,995)	-	(279,593)	-
Net bond issuance costs	(16,500)	(15,000)	-	(31,500)	-
Special assessment collections	15,949	5,175	-	21,124	-
Net cash used for capital and related financing activities	<u>(632,167)</u>	<u>(2,095,167)</u>	<u>-</u>	<u>(2,727,334)</u>	<u>-</u>
<u>Cash Flows from Investing Activities</u>					
Interest and dividends received	<u>552</u>	<u>8,019</u>	<u>21</u>	<u>8,592</u>	<u>1,383</u>
Net cash provided by investing activities	<u>552</u>	<u>8,019</u>	<u>21</u>	<u>8,592</u>	<u>1,383</u>
Net increase (decrease) in cash and cash equivalents	(77,568)	(187,185)	23,728	(241,025)	(111,129)
Cash and cash equivalents - beginning of year	<u>154,162</u>	<u>187,519</u>	<u>227,250</u>	<u>568,931</u>	<u>612,023</u>
Cash and cash equivalents - end of year	<u>\$ 76,594</u>	<u>\$ 334</u>	<u>\$ 250,978</u>	<u>\$ 327,906</u>	<u>\$ 500,894</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Business-type Activities - Enterprise Funds

<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Airport</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Fund</u>
Operating income (loss)	\$ 768,066	\$ (250,904)	\$ (51,889)	\$ 465,273	\$ (245,311)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	525,664	1,307,845	83,886	1,917,395	-
Depreciation charged to clearing account	19,304	-	-	19,304	-
(Increase) decrease in receivables	(23,359)	15,281	(10,997)	(19,075)	11,359
(Increase) decrease in inventories	(320)	-	3,181	2,861	-
Increase (decrease) in accounts payable	(226,849)	391,600	(474)	164,277	121,440
Increase (decrease) in accrued payroll	2,274	3,952	-	6,226	-
Increase (decrease) in due to other funds	66,395	311,536	-	377,931	-
Increase (decrease) in compensated absences payable	(2,695)	(1,781)	-	(4,476)	-
Total adjustments	<u>360,414</u>	<u>2,028,433</u>	<u>75,596</u>	<u>2,464,443</u>	<u>132,799</u>
Net cash provided by (used for) operating activities	<u><u>1,128,480</u></u>	<u><u>1,777,529</u></u>	<u><u>23,707</u></u>	<u><u>2,929,716</u></u>	<u><u>(112,512)</u></u>
<u>Reconciliation of Cash and Cash Equivalents to Statement of Net Position - Proprietary Funds</u>					
Cash and investments reported as current assets	29,175	-	250,978	280,153	500,894
Cash and investments reported as restricted assets	<u>47,419</u>	<u>334</u>	<u>-</u>	<u>47,753</u>	<u>-</u>
Cash and cash equivalents - end of year	<u><u>\$ 76,594</u></u>	<u><u>\$ 334</u></u>	<u><u>\$ 250,978</u></u>	<u><u>\$ 327,906</u></u>	<u><u>\$ 500,894</u></u>

Noncash Capital and Related Financing Activities

Capital additions of \$92,020 were contributed to the water utility by customers.

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

	<u>Tax Roll</u>	<u>Municipal Court</u>	<u>Developers' Reimbursement Fund</u>	<u>Totals</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 7,244,602	\$ 20,186	\$ 32,247	\$ 7,297,035
Taxes receivable	3,746,824	-	-	3,746,824
Total assets	<u>10,991,426</u>	<u>20,186</u>	<u>32,247</u>	<u>11,043,859</u>
<u>Liabilities</u>				
Liabilities:				
Accounts payable	215,873	12,807	-	228,680
Due to county and state	2,594,096	-	-	2,594,096
Due to school and VTAE districts	8,181,457	-	-	8,181,457
Deposits held	-	7,379	32,247	39,626
Total liabilities	<u>10,991,426</u>	<u>20,186</u>	<u>32,247</u>	<u>11,043,859</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
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For the Year Ended December 31, 2012

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CITY OF BURLINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1 - Summary Of Significant Accounting Policies

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

A. Reporting Entity

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

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. Although it is a legally separate entity, standards set forth in Statement Nos. 14 and 39 of the Governmental Accounting Standards Board require that the financial statements of the Housing Authority of the City of Burlington be reported as a component unit of the city due to the appointment of its board of commissioners by the city's mayor. The Housing Authority of the City of Burlington is reported as a discretely presented component unit to emphasize that it is an entity that is legally separate from the city. The financial information included in the statement of net position is as of the Housing Authority's fiscal year end of August 31, 2012. Complete financial statements for the component unit may be obtained at its administrative offices.

Riverview Manor
580 Madison Street
Burlington, Wisconsin 53105

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Note 1 - Summary Of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - Continued

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

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

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

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

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

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

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

Note 1 - Summary Of Significant Accounting Policies - Continued

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

Major Funds

The city reports the following major governmental funds:

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

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

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

Infrastructure Capital Projects fund - accounts for loan proceeds segregated for the construction of road and other infrastructure improvements.

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

General Debt Service

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

TIF No. 4

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water enterprise fund, the sewer enterprise fund, and the airport enterprise fund are charges to customers for sales and services. The water and sewer enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Change in Accounting Principle

The city has adopted Statement No. 63 of the Government Accounting Standards Board, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement establishes reporting guidance for certain deferred outflows (formerly reported as assets) and inflows (formerly reported as liabilities) of resources, and net position. There is no cumulative effect on the city's net position as a result of the implementation of this accounting principles.

Note 1 - Summary Of Significant Accounting Policies - Continued

E. Assets, Liabilities, and Net Position or Equity

1. Cash and Investments

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

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

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

2. Receivable and Payables

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Note 1 - Summary Of Significant Accounting Policies - Continued

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

2. Receivable and Payables - Continued

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

Details of the city's property tax calendar for the 2012 tax levy follows:

Lien and levy dates	December 2012
Real estate collection due dates:	
First installment due	January 31, 2013
Second installment due	July 31, 2013
Personal property tax due in full	January 31, 2013
Final settlement with county	August 2013
Tax sale of 2012 delinquent real estate taxes	October 2015

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	\$ - - -	\$ 334	\$ 334
Bond special redemption	47,419	- - -	47,419
Totals	<u>\$ 47,419</u>	<u>\$ 334</u>	<u>\$ 47,753</u>

Note 1 - Summary Of Significant Accounting Policies - Continued

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

5. Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

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

6. Compensated Absences

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

7. Long-Term Obligations

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

7. Long-Term Obligations - Continued

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

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

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

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

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

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

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

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

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

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

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$30,025,776 difference are as follows:

Bonds and notes payable	\$31,436,967
Less: Deferred charges for bond refunding costs (to be amortized as interest expense over life of debt)	(321,753)
Less: Issuance discount (to be amortized as interest expense)	(481,882)
Add: Issuance premium (to be amortized from interest expense)	118,379
Add: Accrued interest payable	205,512
Add: Compensated absences payable	<u>311,672</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net-assets - governmental activities</i>	<u>\$31,268,895</u>

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

The 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 position 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 these differences are as follows:

Special assessments collected	\$ (25,413)
Principal repayments received on notes receivable	(64,362)
Repayment of advance made by general fund to the TIF no. 3 fund that is reported as revenue in the fund financial statements	<u>(100,000)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (189,775)</u>

Note 3 - Stewardship, Compliance, and Accountability

A. Budgetary Information

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

Note 3 - Stewardship, Compliance, and Accountability - Continued

A. Budgetary Information - Continued

projects expenditures are controlled through fund balances.

The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the city council. There were no budget amendments made during 2012.

Actual expenditures of the general fund for the year ended December 31, 2012 of \$7,412,562 exceeded their budgeted amounts of \$7,158,946 by \$253,616.

B. Deficit Fund Equity

The following individual funds had deficit fund balances as of December 31, 2012.

	<u>Amount of Deficit</u>
Environmental TIF district capital projects fund	(1,783,505)
Facade grant capital projects fund	(10,015)

The deficit fund balance in the environmental TIF district capital projects funds will be eliminated in loan receivable repayments and tax increments. The deficit fund balance in the facade grant fund will be eliminated by future general fund transfers.

C. General Fund Assigned and Nonspendable Fund Balances

The fund balance of the general fund at December 31, 2012 was assigned for the following:

City hall construction	<u>\$ 300,000</u>
------------------------	-------------------

The fund balance of the general fund at December 31, 2012 was nonspendable for the following:

Delinquent personal property taxes	\$ 32,882
Prepaid expenditures	<u>13,062</u>
Total	<u>\$ 45,944</u>

D. Utility Debt Service Redemption Funds and Bond Covenants

Provisions of the water and sewer utility bond agreements specify certain balances in debt service redemption funds. Those balances were calculated as \$47,419 and \$61,308 for the water and sewer utilities, respectively, at December 31, 2012. The required balance for the water utility was fully funded at year end. The sewer utility did not have sufficient cash available to fund its required redemption fund balance.

Note 4 - Detailed Notes on All Funds

A. Cash and Investments

The city's cash and investments at December 31, 2012 consisted of the following:

	<u>Carrying Amount</u>	<u>Weighted Average Maturity (Days)</u>
Petty cash	\$ 1,158	N/A
Interest bearing checking accounts	9,070,648	Demand
Money market savings accounts	580,689	Demand
State local government investment pool	1,512,773	73
Certificates of deposit	677,750	575
U.S. treasury securities	1,513,313	181
Government agency securities	<u>1,035,744</u>	1,776
Total carrying amount	<u>\$ 14,392,075</u>	

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

Credit Risk

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

- Limiting investments to the types of securities listed 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 policies to minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

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

Custodial Risk

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

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

Note 4 - Detailed Notes on All Funds - Continued

A. Cash and Investments - Continued

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

Statement of net position:

Cash and investments	\$ 5,699,857
Restricted cash and investments	<u>1,395,183</u>
Total reported on statement of net position	7,095,040
Statement of fiduciary net position	<u>7,297,035</u>
Total Cash and Investments	<u>\$ 14,392,075</u>

City cash and investments are insured by the FDIC for up to \$250,000 for time and savings deposits (including interest-bearing NOW accounts), and an additional \$250,000 of FDIC insurance is available for demand (non-interest bearing checking accounts) for each bank used. For the period December 31, 2010 through December 31, 2012, all non-interest bearing accounts are fully insured, regardless of the balance of the account. All city deposits are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses of the pool may not be significant to individual municipalities.

The Local Government Investment Pool (LGIP) is an investment fund managed by the State of Wisconsin Investment Board. The LGIP accepts deposits from governmental units within the State of Wisconsin. The objectives of the LGIP are to provide safety of principal, liquidity and a reasonable rate of return. The LGIP is regulated by the Wisconsin Statutes and is not a SEC registered investment. The yield of the LGIP changes daily and its participants may invest or withdraw any or all amounts at par value at any time. The LGIP balance reported in the financial statements as \$1,512,773 at December 31, 2012 is at cost basis. The fair value of the LGIP investment at December 31, 2012 did not materially differ from its cost basis. The LGIP had a weighted average maturity of 73 days at December 31, 2012.

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	Environmental TIF	Water Utility	Sewer Utility	Airport	Nonmajor and Fiduciary Funds	Totals
Receivables:								
Taxes - current	\$ 4,652,411	\$ 4,161,342	\$ 46,751	\$ ---	\$ ---	\$ ---	\$ 4,617,324	\$13,477,828
Taxes - delinquent	32,882	---	---	---	---	---	---	32,882
Accounts and other	19,205	---	---	699,820	519,844	20,156	---	1,259,025
Special assessments	60,482	---	---	130,048	192,295	---	---	382,825
Notes	---	---	---	---	---	---	1,882,827	1,882,827
Net total receivables	<u>\$ 4,764,980</u>	<u>\$ 4,161,342</u>	<u>\$ 46,751</u>	<u>\$ 829,868</u>	<u>\$ 712,139</u>	<u>\$ 20,156</u>	<u>\$ 6,500,151</u>	<u>\$17,035,387</u>

Note 4 - Detailed Notes on All Funds - Continued

B. Receivables - Continued

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

	<u>Unavailable</u>	<u>Unearned</u>
Property and other taxes receivable	\$ - - -	\$ 9,715,558
Water utility property tax equivalent	- - -	456,625
Notes receivable (special revenue funds)	1,882,827	- - -
Special assessments not yet due (various funds)	67,854	- - -
Interfund advances receivable (general fund)	266,822	- - -
Total deferred/unearned revenue for governmental funds	<u>\$ 2,217,503</u>	<u>\$ 10,172,183</u>

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

<u>Purpose</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Balance 12/31/12</u>
Community Development Block Grant	10/23/00	4.0%	60,000	\$ 30,081
Community Development Block Grant	7/6/10	2.0%	340,000	323,677
Community Development Block Grant	12/31/11	2.0%	400,000	384,000 *
TIF No. 3 Revolving Loan	6/01/09	1.625%	21,425	14,319
TIF No. 3 Revolving Loan	6/01/11	4.0%	4,896	3,135
Environmental TIF Capital Projects	9/1/10	7.0%	1,160,000	1,127,615
Total				<u>\$ 1,882,827</u>

* - Contains a forgiveness provision of up to \$16,000 per full time employee added for a 3 year period.

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets

Capital asset activity for the year ended December 31, 2012 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	\$ 19,958,830	\$ 124,176	\$ (5,000)	\$ 20,078,006
Total capital assets, not being depreciated	<u>19,958,830</u>	<u>124,176</u>	<u>(5,000)</u>	<u>20,078,006</u>
Capital assets, being depreciated:				
Buildings and improvements	9,234,373	90,798	(537,000)	8,788,171
Land improvements and other structures	3,625,016	---	---	3,625,016
Machinery and equipment	6,584,720	415,295	(120,436)	6,879,579
Infrastructure	<u>38,692,503</u>	<u>1,567,018</u>	<u>---</u>	<u>40,259,521</u>
Total capital assets being depreciated	<u>58,136,612</u>	<u>2,073,111</u>	<u>(657,436)</u>	<u>59,552,287</u>
Less accumulated depreciation for:				
Buildings and other improvements	(3,213,589)	(283,376)	537,000	(2,959,965)
Machinery and equipment	(3,823,685)	(361,332)	106,440	(4,078,577)
Infrastructure	<u>(16,842,019)</u>	<u>(978,261)</u>	<u>---</u>	<u>(17,820,280)</u>
Total accumulated depreciation	<u>(23,879,293)</u>	<u>(1,622,969)</u>	<u>643,440</u>	<u>(24,858,822)</u>
Total capital assets, being depreciated, net	<u>34,257,319</u>	<u>450,142</u>	<u>(13,996)</u>	<u>34,693,465</u>
Governmental activities capital assets, net	<u>\$ 54,216,149</u>	<u>\$ 574,318</u>	<u>\$ (18,996)</u>	<u>\$ 54,771,471</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	2,073,798	---	(2,073,798)	---
Total capital assets, not being depreciated	<u>2,342,825</u>	<u>---</u>	<u>(2,073,798)</u>	<u>269,027</u>
Capital assets, being depreciated:				
Buildings and system	2,240,593	815,218	---	3,055,811
Machinery and equipment	1,668,914	1,483,563	(6,000)	3,146,477
Infrastructure	16,961,240	390,285	(81,967)	17,269,558
Total capital assets being depreciated	<u>20,870,747</u>	<u>2,689,066</u>	<u>(87,967)</u>	<u>23,471,846</u>
Less: accumulated depreciation:				
Buildings and system	(719,139)	(82,092)	---	(801,231)
Machinery and equipment	(745,401)	(144,422)	6,000	(883,823)
Infrastructure	(3,798,859)	(325,342)	81,967	(4,042,234)
Total accumulated depreciation	<u>(5,263,399)</u>	<u>(551,856)</u>	<u>87,967</u>	<u>(5,727,288)</u>
Total capital assets, being depreciated, net	<u>15,607,348</u>	<u>2,137,210</u>	<u>---</u>	<u>17,744,558</u>
Business-type activities capital assets, net	<u>\$ 17,950,173</u>	<u>\$ 2,137,210</u>	<u>\$ (2,073,798)</u>	<u>\$ 18,013,585</u>
Sewer Utility				
Capital assets, not being depreciated:				
Land	\$ 778,671	\$ ---	\$ ---	\$ 778,671
Construction in progress	---	2,126,035	---	2,126,035
Total capital assets, not being depreciated	<u>778,671</u>	<u>2,126,035</u>	<u>---</u>	<u>2,904,706</u>
Capital assets, being depreciated:				
Buildings and system	18,654,505	---	---	18,654,505
Machinery and equipment	8,543,659	42,250	(20,000)	8,565,909
Infrastructure	14,026,372	215,029	(40,000)	14,201,401
Total capital assets being depreciated	<u>41,224,536</u>	<u>257,279</u>	<u>(60,000)</u>	<u>41,421,815</u>
Less: accumulated depreciation:				
Buildings and system	(9,780,912)	(621,195)	---	(10,402,107)
Machinery and equipment	(6,642,328)	(336,578)	20,000	(6,958,906)
Infrastructure	(3,396,169)	(350,072)	40,000	(3,706,241)
Total accumulated depreciation	<u>(19,819,409)</u>	<u>(1,307,845)</u>	<u>60,000</u>	<u>(21,067,254)</u>
Total capital assets, being depreciated, net	<u>21,405,127</u>	<u>(1,050,566)</u>	<u>---</u>	<u>20,354,561</u>
Business-type activities capital assets, net	<u>\$ 22,183,798</u>	<u>\$ 1,075,469</u>	<u>\$ ---</u>	<u>\$ 23,259,267</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>301,350</u>	<u>---</u>	<u>---</u>	<u>301,350</u>
Total capital assets being depreciated	<u>2,396,797</u>	<u>---</u>	<u>---</u>	<u>2,396,797</u>
Less: accumulated depreciation:				
Buildings	(41,112)	(68)	---	(41,180)
Land improvements	(800,931)	(65,305)	---	(866,236)
Machinery and equipment	<u>(197,875)</u>	<u>(18,513)</u>	<u>---</u>	<u>(216,388)</u>
Total accumulated depreciation	<u>(1,039,918)</u>	<u>(83,886)</u>	<u>---</u>	<u>(1,123,804)</u>
Total capital assets, being depreciated, net	<u>1,356,879</u>	<u>(83,886)</u>	<u>---</u>	<u>1,272,993</u>
Business-type activities capital assets, net	<u>\$ 1,482,513</u>	<u>\$ (83,886)</u>	<u>\$ ---</u>	<u>\$ 1,398,627</u>

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

Governmental activities:	
General government	\$ 12,906
Public safety	261,323
Highways and streets, including depreciation of general infrastructure assets	1,156,940
Culture and recreation	<u>191,800</u>
Total depreciation expense - governmental activities	<u>\$ 1,622,969</u>
Business-type activities:	
Water	\$ 525,664
Sewer	1,307,845
Airport	<u>83,886</u>
Total depreciation expense - business-type activities	<u>\$ 1,917,395</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, 2012 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 87,236	\$ ---	\$ ---	\$ 87,236
Capital assets, being depreciated:				
Buildings	2,235,128	11,350	(4,558)	2,241,920
Landscaping	128,724	4,200	---	132,924
Furniture and equipment	179,864	3,700	---	183,864
Total capital assets being depreciated	2,543,716	19,250	(4,558)	2,558,708
Less: accumulated depreciation	(1,542,045)	(73,038)	1,248	(1,613,835)
Total capital assets, being depreciated, net	1,001,671	(53,788)	(3,310)	944,573
Business-type activities capital assets, net	<u>\$ 1,088,907</u>	<u>\$ (53,788)</u>	<u>\$ (3,310)</u>	<u>\$ 1,031,809</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, 2012, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Water utility	\$ 456,625
General	Sewer utility	311,536
General	Environmental TIF district	11,497
General	Facade grant fund	10,015
		<u>\$ 789,673</u>

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General	TIF No. 3 debt service	\$ 266,822
TIF No. 3 debt service	Environmental TIF district	1,771,462
		<u>\$ 2,038,284</u>

Annual repayments of the advance payable by TIF No. 3 debt service fund to the general fund is determined by the city council. The advance by the TIF No. 3 debt service fund to the environmental TIF fund will be paid upon the fund's securing of financing.

Note 4 - Detailed Notes on All Funds - Continued

D. Interfund Receivables, Payables and Transfers - Continued

Interfund transfers:

	Transfers In			Totals
	General Fund	Park Development	Sewer Utility Enterprise	
Transfers Out:				
General fund	\$ ---	\$ 25,000	\$ ---	\$ 25,000
TIF No. 4 capital projects	219,831	---	---	219,831
Water utility enterprise	---	---	122,434	122,434
Total	\$ 219,831	\$ 25,000	\$ 122,434	\$ 367,265

E. Long-Term Obligations

Outstanding debt and other long-term obligations of the city at December 31, 2012 follows:

Issue	Interest Rate(s)	Original Principal	Outstanding Principal At 12/31/12		Purpose
			General	Proprietary	
<u>General obligation debt:</u>					
2007 refunding bonds	4.1%-4.375%	1,500,000	\$ 1,500,000	\$ ---	Infrastructure
2010 Build America bonds	2.05%-5.75%	6,400,000	2,970,000	1,725,000	Water, sewer, public works
2010 refunding bonds	2.0%-2.375%	4,290,000	4,575,000	---	TIF 3,4 & various
2011 refunding bonds	2.0%-3.0%	9,120,000	7,270,000	1,185,000	Riverfront & sewer
2012 street bonds	2.0%-2.8%	3,155,000	3,155,000	---	Infrastructure
2012 refunding bonds	2.0%-3.0%	1,460,000	1,460,000	---	Pension, ER TIF, various
Total bonds and notes			20,930,000	2,910,000	
<u>Other long-term obligations:</u>					
2000 tax increment rev. bonds	0%	1,500,000	214,771	---	Fitness Center
2005 revenue lease bonds	3.5-4.25%	11,810,000	9,050,000	---	Riverfront
Developer revenue agreement			1,242,195	---	TIF no. 3
Compensated absences (Note 5B.)			311,672	69,388	
Total other long-term obligations			10,818,638	69,388	
<u>Utility revenue debt:</u>					
2008 CWF bonds (1)	2.569%	4,465,837	---	3,776,826	Sewer
2008 CWF bonds (2)	2.365%	926,948	---	764,460	Sewer
2011 refunding bonds	2.0%-3.5%	2,050,000	---	1,950,000	Water
2012 CWF bonds	2.625%	519,230 *	---	519,230	Sewer
2012 CWF water bonds	2.2%	2,044,276	---	1,986,367	Water
Total utility revenue debt			---	8,996,883	
Total Long-Term Obligations			31,748,638	11,976,271	
Less: deferred bond refunding costs			(321,753)	(68,903)	
Net Long-Term Obligations			\$31,426,885	\$11,907,368	

* - Total loan available is \$7,722,769, the balance of proceeds available are to be issued in 2013.

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	
2013	\$ 1,835,000	\$ 521,731	\$ 625,000	\$ 71,370	\$ 3,053,101
2014	2,010,000	481,468	660,000	58,797	3,210,265
2015	1,770,000	446,335	50,000	51,836	2,318,171
2016	1,890,000	409,435	55,000	50,784	2,405,219
2017	1,645,000	370,268	55,000	49,550	2,119,818
2018-2022	6,545,000	1,207,378	385,000	221,577	8,358,955
2023-2027	2,940,000	599,523	620,000	139,253	4,298,776
2028-2032	2,295,000	162,476	460,000	26,080	2,943,556
	<u>\$ 20,930,000</u>	<u>\$ 4,198,614</u>	<u>\$2,910,000</u>	<u>\$ 669,247</u>	<u>\$ 28,707,861</u>

General city and proprietary fund indebtedness represented by general obligation notes totaled \$23,840,000 on December 31, 2012. The city's full faith and credit back these general obligation notes. Transactions for 2012 are summarized as follows:

Balance - January 1, 2012	\$ 22,993,982
Loan proceeds	4,615,000
Principal reductions - current	(2,355,386)
Principal defeasance - refunding	<u>(1,413,596)</u>
Balance - December 31, 2012	<u>\$ 23,840,000</u>

B. Community development revenue lease bonds

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

Year Ended December 31,	Community Development Long-Term Debt		
	Principal	Interest	Totals
2013	\$ 1,050,000	\$ 341,125	\$ 1,391,125
2014	1,100,000	302,950	1,402,950
2015	1,100,000	262,525	1,362,525
2016	1,150,000	218,900	1,368,900
2017	1,150,000	172,325	1,322,325
2018-2020	3,500,000	224,188	3,724,188
	<u>\$ 9,050,000</u>	<u>\$ 1,522,013</u>	<u>\$ 10,572,013</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 \$9,050,000 on December 31, 2012. These bonds were issued to finance the riverfront improvement project. Transactions for 2012 are summarized as follows:

Balance - January 1, 2012	\$ 10,100,000
Principal reductions	<u>(1,050,000)</u>
Balance - December 31, 2012	<u>\$ 9,050,000</u>

C. Tax increment project revenue bonds

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

Year Ended December 31,	Community Development Long-Term Debt		
	Principal	Interest	Totals
2013	\$ 105,000	\$ ---	\$ 105,000
2014	109,771	---	109,771
	<u>\$ 214,771</u>	<u>\$ ---</u>	<u>\$ 214,771</u>

Tax increment indebtedness represented by the revenue bonds totaled \$214,771 on December 31, 2012. These bonds were issued for the various developer and construction agreements. Transactions for 2012 are summarized as follows:

Balance - January 1, 2012	\$ 318,605
Principal reductions	<u>(103,834)</u>
Balance - December 31, 2012	<u>\$ 214,771</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
2013	\$ 518,652	\$ 220,891	\$ 739,543
2014	527,090	210,495	737,585
2015	540,735	198,206	738,941
2016	554,594	184,677	739,271
2017	568,672	169,878	738,550
2018 - 2022	3,082,556	610,552	3,693,108
2023 - 2027	2,300,541	255,410	2,555,951
2028 - 2031	904,043	36,321	940,364
Totals	<u>\$ 8,996,883</u>	<u>\$ 1,886,430</u>	<u>\$ 10,883,313</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 \$8,996,883 on December 31, 2012. 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 2012 are summarized as follows:

Balance - January 1, 2012	\$ 6,822,318
Loan proceeds	2,563,506
Principal reductions	<u>(388,941)</u>
Balance - December 31, 2012	<u>\$ 8,996,883</u>

E. Refunding of outstanding bonds

On June 12, 2012, the city issued \$1,460,000 in general obligation bonds with an average interest rate of 1.608% that was used to currently refund \$1,429,698 of outstanding state trust fund loans with accrued interest. The refunding issue reduces its total debt service over the life of the bonds by \$148,959 and results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$134,504.

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 2011 bonds, which are scheduled to be fully paid in 2016.

In prior years, the city defeased certain other general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the city's financial statements.

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, 2012:

Equalized Value - 2012	<u>\$ 832,729,500</u>
Margin of Indebtedness:	
5% of Equalized Value	41,636,475
Outstanding General Obligation Debt - December 31, 2012	<u>23,840,000</u>
Margin of Indebtedness	<u>\$ 17,796,475</u>

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

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, 2012 totaled \$2,675,000 and \$3,517,500 for the 1998 and 2008 bonds, respectively. The city has no liability for repayment of these bonds and, consequently, they are not included in the financial statements.

F. Segment Information for Enterprise Funds

The city maintains three enterprise funds. Segment information for the year ended December 31, 2012 follows:

CONDENSED STATEMENT OF NET POSITION

	Water Utility	Sewer Utility	Airport	Total
Assets:				
Current assets	\$ 870,899	\$ 712,139	\$ 301,987	\$ 1,885,025
Restricted cash and investments	47,419	334	--	47,753
Other noncurrent assets	77,537	49,314	--	126,851
Capital assets	18,013,585	23,259,268	1,398,627	42,671,480
Total assets	19,009,440	24,021,055	1,700,614	44,731,109
Liabilities:				
Current liabilities	548,284	1,426,554	3,730	1,978,568
Current liabilities payable from restricted assets	201,866	257,897	--	459,763
Noncurrent liabilities	4,380,147	6,512,265	--	10,892,412
Total liabilities	5,130,297	8,196,716	3,730	13,330,743
Net position:				
Invested in capital assets, net of related debt	13,466,121	15,985,797	1,398,927	30,850,845
Restricted	47,419	334	--	47,753
Unrestricted	365,603	(161,792)	297,957	501,768
Total net position	13,879,143	15,824,339	1,696,884	31,400,366

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

	Water Utility	Sewer Utility	Airport	Total
Operating revenues	\$ 2,332,569	\$ 2,588,376	\$ 891,590	\$ 5,812,535
Depreciation expense	525,664	1,307,845	83,886	1,917,395
Other operating expenses	1,038,839	1,531,435	859,593	3,429,867
Operating income (loss)	768,066	(250,904)	(51,889)	465,273
Nonoperating revenues (expenses):				
Investment income	12,009	16,727	21	28,757
Interest expense	(108,588)	(218,295)	--	(326,883)
Amortization expense	(22,116)	(6,761)	--	(28,877)
Capital contributions	321,115	409,508	--	730,623
Net transfers in (out)	(574,433)	122,434	--	(451,999)
Beginning net position	13,483,090	15,751,630	1,748,752	30,983,472
Ending net position	13,879,143	15,824,339	1,696,884	31,400,366

Note 4 - Detailed Notes on All Funds - Continued

F. Segment Information for Enterprise Funds - Continued

CONDENSED STATEMENT OF CASH FLOWS

	Water Utility	Sewer Utility	Airport	Total
Net cash provided (used) by:				
Operating activities	\$ 1,128,480	\$ 1,777,529	\$ 23,707	\$ 2,929,716
Noncapital financing activities	(574,433)	122,434	--	(451,999)
Capital and related financing activities	(632,167)	(2,095,167)	--	(2,727,334)
Investing activities	552	8,019	21	8,592
Net increase (decrease)	(77,568)	(187,185)	23,728	(241,025)
Beginning cash and cash equivalents	154,162	187,519	227,250	568,931
Ending cash and cash equivalents	76,594	334	250,978	327,906

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 \$276,468 at December 31, 2012 and is reported as the internal service fund net position. The accounts payable of \$230,612 reported in the fund at December 31, 2012 is based on the amount of the loss that can be reasonably estimated. Changes in the fund's reported liability amount for the years ended December 31, 2012 and 2011 follows:

Year	Beginning Of Year Liability	Incurred Claims	Claim Payments	End of Year Liability
2012	\$ 109,172	\$ 1,457,125	\$ 1,335,685	\$ 230,612
2011	48,138	1,288,776	1,227,742	109,172

Note 5 - Other Information - Continued

B. Compensated Absences

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

Management has determined that \$6,099 of accumulated vacation time and sick leave at year end will be liquidated with expendable available resources. The amount of accumulated vacation time at December 31, 2012 that has been recorded in the governmental activities of the statement of net position is \$130,683.

Employees may accumulate sick leave to a maximum number of days ranging from 150 to 252. It is the city's policy to pay for unused sick leave upon retirement or death at a rate of \$25 per day or apply it to future retiree health insurance premiums at a rate of \$50 per day. Eligible accumulated sick days of employees totaled approximately 3,598 at December 31, 2012. 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, 2012, estimated sick leave termination benefits of \$180,989 have been recorded in the governmental activities of the statement of net position.

Accumulated vacation and sick pay benefits for employees of the city's proprietary funds are recorded as a liability directly in those funds as they are earned by the employees. An additional \$69,388 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. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district education support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Note 5 - Other Information - Continued

C. Employees' Pensions - Continued

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate.

The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2012 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.9%	5.9%
Executives & Elected Officials	7.05%	7.05%
Protective with Social Security	5.9%	10.9%
Protective without Social Security	5.9%	13.2%

The payroll for city employees covered by the WRS for the year ended December 31, 2012 was \$4,202,475; the employer's total payroll was \$4,268,787. The total required contribution for the year ended December 31, 2012 was \$551,645 which consisted of \$303,699, or 7.2% of the covered payroll from the employer and \$247,946 or 5.9% of the covered payroll from employees. Total contributions for the years ending December 31, 2011 and 2010 were \$531,555 and \$504,649, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the three highest years earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

Note 5 - Other Information - Continued

D. Tax Incremental Financing 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 2011, TIF district no. 4 collected revenues that were sufficient to fully finance the district's project costs from the date of its inception and it was terminated. Excess increments collected of \$393,224 were paid to the overlying taxing districts in 2012 and an additional \$219,831 was transferred to the city's general fund.

Summary information on TIF district no. 3 follows:

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

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 961,336	\$ 53,516,798
Less: tax increments received	4,382,416	35,249,656
Less: intergovernmental revenues	16,852	674,626
Less: special assessments/property sales	---	231,751
Less: rental income	---	2,794
Less: interest earned	62,601	2,177,220
Less: city contribution for Wehmhoff Park	---	60,000
Less: increment allocations from TIF district no. 4	---	2,009,000
Less: all other	---	3,000
Total project revenues	<u>4,461,869</u>	<u>40,408,047</u>
Net Costs to be Recovered	<u>\$ (3,500,533)</u>	<u>\$ 13,108,751</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

D. Tax Incremental Financing Districts - Continued

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 114,028	\$ 4,847,920
Less: tax increments received	48,176	48,176
Less: intergovernmental revenues	- - -	330,000
Less: interest earned on note receivable	80,732	173,451
Less: loan repayments	27,919	32,386
Total project revenues	<u>156,827</u>	<u>584,013</u>
Net Costs Recoverable (Recovered)	<u>\$ (42,799)</u>	<u>\$ 4,263,907</u>

E. Utility User Rates

Water utility user rates currently in place were established by the Wisconsin Public Service Commission effective February 12, 2011. Sewer utility rates currently in place were approved by the city council effective January 1, 2009.

F. Litigation and Contingencies

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

G. Subsequent Events

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through June 7, 2013, the date the financial statements were available to be issued; and concluded there were no matters to be disclosed.

H. Restatement of Net Position

The January 1, 2012 net position in the city's government-wide financial statements was restated to reflect the total outstanding obligation agreed to in an agreement with a developer in connection with the city's TIF district no. 3. Prior year annual payments to the developer have expensed in the statement of activities.

	<u>Governmental Activities</u>
<u>Net Position</u>	
Amounts as previously reported on December 31, 2011	\$ 31,536,464
Adjustment to net position to recognize the outstanding developer obligation at December 31, 2011	<u>(1,530,778)</u>
Net position - January 1, 2012 - as restated	<u>\$ 30,005,686</u>

Note 5 - Other Information - Continued,

H. Housing Authority Component Unit

The Housing Authority of the City of Burlington is a component unit of the city. The fiscal year end of the housing authority is August 31, 2012. 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, 2012, the housing authority's deposits totaled \$163,342. The carrying value of those deposits on the housing authority's financial statements was \$151,618.

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, 2012 consisted of the following:

Reserve account	\$ 69,089
Security deposits	27,929
Totals	<u>\$ 97,018</u>

4. Long-term debt

Long-term debt of the housing authority at August 31, 2012 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%. \$ 480,803

Note payable to Rural Development dated January 4, 1984.

It is due January 4, 2034 with monthly payments of \$1,590.

Interest is charged at 10.75%, but is subsidized to a rate of 1%. 363,774

Totals 844,577

Less: Current maturities (45,860)

Net Long-Term Debt \$ 798,717

Note 5 - Other Information - Continued

H. Housing Authority - Continued

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 45,860	\$ 8,236	\$ 54,096
2014	46,372	7,724	54,096
2015	46,787	7,309	54,096
2016	47,257	6,839	54,096
2017	47,731	6,365	54,096
2018 - 2022	245,946	24,534	270,480
2023 - 2027	250,672	12,068	262,740
2028 - 2032	91,943	3,457	95,400
2033 - 2034	22,009	154	22,163
	<u>\$ 844,577</u>	<u>\$ 76,686</u>	<u>\$ 921,263</u>

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

SUPPLEMENTAL INFORMATION

A two-page combining balance
sheet follows.

CITY OF BURLINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue Funds							
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police DARE	Derozier	Wehmhoff
<u>Assets</u>								
Cash and investments	\$ 114,909	\$ 134,407	\$ 602,930	\$ 78,352	\$ 99,267	\$ 5,033	\$ 49,349	\$ 52,131
Taxes receivable	405,500	-	-	-	-	-	-	-
Notes receivable	-	737,759	17,453	-	-	-	-	-
Total Assets	<u>520,409</u>	<u>872,166</u>	<u>620,383</u>	<u>78,352</u>	<u>99,267</u>	<u>5,033</u>	<u>49,349</u>	<u>52,131</u>
<u>Liabilities</u>								
Accounts payable	15,461	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	405,500	737,759	17,453	-	-	-	-	-
Total Liabilities	<u>420,961</u>	<u>737,759</u>	<u>17,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>								
Unreserved:								
Assigned	99,448	134,407	602,930	78,352	99,267	5,033	49,349	52,131
Total Fund Balances	<u>99,448</u>	<u>134,407</u>	<u>602,930</u>	<u>78,352</u>	<u>99,267</u>	<u>5,033</u>	<u>49,349</u>	<u>52,131</u>
Total Liabilities and Fund Balances	<u>\$ 520,409</u>	<u>\$ 872,166</u>	<u>\$ 620,383</u>	<u>\$ 78,352</u>	<u>\$ 99,267</u>	<u>\$ 5,033</u>	<u>\$ 49,349</u>	<u>\$ 52,131</u>

Capital Projects Funds					
General Debt Service Fund	TIF No. 4	Revolving Capital Projects	Stormwater Management	Facade Grants	Total Nonmajor Funds
\$ 69,611	\$ -	\$ 1,597,986	\$ 13,284	\$ -	\$ 2,817,259
465,000	-	-	-	-	870,500
-	-	-	-	-	755,212
<u>534,611</u>	<u>-</u>	<u>1,597,986</u>	<u>13,284</u>	<u>-</u>	<u>4,442,971</u>
-	-	14,625	-	-	30,086
-	-	-	-	10,015	10,015
465,000	-	-	-	-	1,625,712
<u>465,000</u>	<u>-</u>	<u>14,625</u>	<u>-</u>	<u>10,015</u>	<u>1,665,813</u>
69,611	-	1,583,361	13,284	(10,015)	2,777,158
<u>69,611</u>	<u>-</u>	<u>1,583,361</u>	<u>13,284</u>	<u>(10,015)</u>	<u>2,777,158</u>
<u>\$ 534,611</u>	<u>\$ -</u>	<u>\$ 1,597,986</u>	<u>\$ 13,284</u>	<u>\$ -</u>	<u>\$ 4,442,971</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, 2012

	Special Revenue Funds							
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police DARE	Derozier	Wehmhoff
Revenues								
Taxes	\$ 405,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	318,876	-	-	35,352	-	-	-	-
Charges for services	26,282	-	-	5,979	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment income	362	15,467	460	9	716	1	361	116
Repayment of note receivable principal	-	33,181	3,262	-	-	-	-	-
All other	3,073	-	-	140	15,760	4,050	-	-
Total Revenues	754,093	48,648	3,722	41,480	16,476	4,051	361	116
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	9,459	-	-
Culture, recreation & education	722,876	-	-	396	19,010	-	-	2,731
Conservation and development	-	2,507	-	-	-	-	-	-
Capital outlay	-	-	-	56,840	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total Expenditures	722,876	2,507	-	57,236	19,010	9,459	-	2,731
Excess (deficiency) of revenues over (under) expenditures	31,217	46,141	3,722	(15,756)	(2,534)	(5,408)	361	(2,615)
Other Financing Sources (Uses)								
Transfers in	-	-	-	25,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-
Principal paid on refunded debt	-	-	-	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	25,000	-	-	-	-
Net change in fund balances	31,217	46,141	3,722	9,244	(2,534)	(5,408)	361	(2,615)
Fund balances - beginning	68,231	88,266	599,208	69,108	101,801	10,441	48,988	54,746
Fund balances - ending	<u>\$ 99,448</u>	<u>\$ 134,407</u>	<u>\$ 602,930</u>	<u>\$ 78,352</u>	<u>\$ 99,267</u>	<u>\$ 5,033</u>	<u>\$ 49,349</u>	<u>\$ 52,131</u>

General Debt Service Fund	Capital Projects Funds					Total Nonmajor Funds
	TIF No. 4	Revolving Capital Projects	Stormwater Management	Facade Grants		
\$ 428,459	\$ -	\$ 500,000	\$ -	\$ -	\$ 1,333,959	
-	682	-	-	-	354,910	
-	-	-	-	-	32,261	
-	14,040	-	-	-	14,040	
193	5,863	506	2	14	24,070	
-	-	-	-	-	36,443	
-	-	-	-	-	23,023	
<u>428,652</u>	<u>20,585</u>	<u>500,506</u>	<u>2</u>	<u>14</u>	<u>1,818,706</u>	
-	3,000	-	-	-	3,000	
-	-	-	-	-	9,459	
-	-	-	-	-	745,013	
-	468,224	-	-	11,643	482,374	
-	-	562,932	-	-	619,772	
170,108	279,087	-	-	-	449,195	
192,203	2,790	-	-	-	194,993	
8,461	-	-	-	-	8,461	
<u>370,772</u>	<u>753,101</u>	<u>562,932</u>	<u>-</u>	<u>11,643</u>	<u>2,512,267</u>	
<u>57,880</u>	<u>(732,516)</u>	<u>(62,426)</u>	<u>2</u>	<u>(11,629)</u>	<u>(693,561)</u>	
-	-	-	-	-	25,000	
-	(219,831)	-	-	-	(219,831)	
-	-	37,335	-	-	37,335	
697,500	-	-	-	-	697,500	
(674,382)	-	-	-	-	(674,382)	
(5,314)	-	-	-	-	(5,314)	
<u>17,804</u>	<u>(219,831)</u>	<u>37,335</u>	<u>-</u>	<u>-</u>	<u>(139,692)</u>	
75,684	(952,347)	(25,091)	2	(11,629)	(833,253)	
<u>(6,073)</u>	<u>952,347</u>	<u>1,608,452</u>	<u>13,282</u>	<u>1,614</u>	<u>3,610,411</u>	
<u>\$ 69,611</u>	<u>\$ -</u>	<u>\$ 1,583,361</u>	<u>\$ 13,284</u>	<u>\$ (10,015)</u>	<u>\$ 2,777,158</u>	

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original and Final Budget	Actual	Variance with Budget
<u>Taxes</u>			
General property taxes	\$ 4,119,672	\$ 4,165,221	\$ 45,549
Payments in lieu of taxes	42,508	31,340	(11,168)
Occupational tax	881	881	-
Room tax	55,000	47,042	(7,958)
Interest on personal property taxes	4,000	49	(3,951)
	<u>4,222,061</u>	<u>4,244,533</u>	<u>22,472</u>
<u>Intergovernmental</u>			
Shared taxes from state	650,089	651,233	1,144
Exempt computer aid	18,000	25,106	7,106
Fire insurance from state	30,000	33,528	3,528
Municipal services	2,074	1,759	(315)
General transportation aid	450,081	450,081	-
Connecting streets	76,040	2,782	(73,258)
Other transportaion aid	-	-	-
Recycling grants	30,100	30,271	171
State Historical Society reimbursement	-	613	613
Stewardship park grant	-	-	-
State aid for police training	2,500	3,040	540
State safety aid	-	20,572	20,572
DNR aid in lieu of tax	700	670	(30)
	<u>1,259,584</u>	<u>1,219,655</u>	<u>(39,929)</u>
<u>Licenses and Permits</u>			
Business and occupational licenses	30,800	32,509	1,709
Weights and measures	7,025	7,005	(20)
Wisconsin cable TV licenses	115,000	134,355	19,355
Parking permits	1,500	750	(750)
Cell tower permit	46,000	45,168	(832)
Building and electrical permits	66,200	93,618	27,418
Right of way and zoning permits	7,500	7,725	225
Chocolate city franchise fee	1	-	(1)
	<u>274,026</u>	<u>321,130</u>	<u>47,104</u>
<u>Fines and Forfeitures</u>			
Court penalty costs	145,000	135,035	(9,965)
Parking violations	80,000	59,144	(20,856)
	<u>\$ 225,000</u>	<u>\$ 194,179</u>	<u>\$ (30,821)</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original and Final Budget	Actual	Variance with Final Budget
<u>Charges for Services</u>			
Clerk's revenue	\$ 5,600	\$ 7,506	\$ 1,906
Police department	3,800	4,108	308
Fire department	15,000	10,177	(4,823)
Street department	6,300	16,504	10,204
Park revenue	16,000	15,972	(28)
Total Charges for Services	46,700	54,267	7,567
<u>Special Assessments</u>			
Sidewalks	73,782	11,373	(62,409)
<u>Interest</u>			
Investment earnings	6,000	8,212	2,212
Interest on special assessments	150	285	135
Total interest	6,150	8,497	2,347
TIF Reimbursement for Deferred Advance	100,000	100,000	-
<u>Other</u>			
Lease of city property	15,975	12,000	(3,975)
Insurance recoveries	50	22,360	22,310
Miscellaneous	2,575	3,073	498
Total Other	18,600	37,433	18,833
Total Revenues	<u>\$ 6,225,903</u>	<u>\$ 6,191,067</u>	<u>\$ (34,836)</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original and Final Budget	Actual	Variance with Budget
<u>General Government</u>			
Mayor and city council	\$ 39,417	\$ 37,799	\$ 1,618
Municipal court	58,708	49,084	9,624
Administration	373,766	332,334	41,432
Finance - treasurer	176,982	169,208	7,774
City clerk	49,152	56,114	(6,962)
Elections	23,860	39,292	(15,432)
Assessor and board of review	45,499	46,497	(998)
City attorney	94,000	118,305	(24,305)
Total General Government	<u>861,384</u>	<u>848,633</u>	<u>12,751</u>
<u>Public Safety</u>			
Police department	2,826,653	2,864,444	(37,791)
Fire department	609,815	567,904	41,911
Building inspector	87,143	128,841	(41,698)
Total Public Safety	<u>3,523,611</u>	<u>3,561,189</u>	<u>(37,578)</u>
<u>Public Works</u>			
Street administration and maintenance	1,045,261	1,102,342	(57,081)
Street lighting	252,000	260,514	(8,514)
Sidewalks, curb and gutters	60,000	94,657	(34,657)
Storm sewers	5,000	4,741	259
Garbage collection	306,000	381,197	(75,197)
Recycling	128,900	147,929	(19,029)
Landfill	20,000	24,450	(4,450)
Clean sweep	5,000	10,685	(5,685)
Monitoring wells	3,000	-	3,000
Total Public Works	<u>1,825,161</u>	<u>2,026,515</u>	<u>(201,354)</u>
<u>Health and Human Services</u>			
Health officer	89,570	66,545	23,025
Animal shelter	12,579	6,235	6,344
Total Health and Human Services	<u>\$ 102,149</u>	<u>\$ 72,780</u>	<u>\$ 29,369</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original and Final Budget	Actual	Variance with Budget
<u>Culture, Recreation and Education</u>			
Historical society	\$ 1,000	\$ 1,000	\$ -
Senior citizens	2,400	2,504	(104)
Parks	537,720	586,783	(49,063)
Total Culture, Recreation and Education	541,120	590,287	(49,167)
<u>Conservation and Development</u>			
Economic development	50,000	72,979	(22,979)
Planning commission	60,500	68,411	(7,911)
Town annexation revenue sharing	45,021	45,009	12
Total Conservation and Development	155,521	186,399	(30,878)
<u>Capital Outlay</u>			
Land acquisition	150,000	126,759	23,241
Total Expenditures	<u>\$ 7,158,946</u>	<u>\$ 7,412,562</u>	<u>\$ (253,616)</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

The following is a summary of the bonds and notes payable of the city as of December 31, 2012.

<u>General Obligation Debt</u>	<u>Outstanding Principal 12/31/2012</u>
2007 refunding bonds	\$ 1,500,000
2010 Build America Bonds	6,300,000
2010 refunding bonds	2,970,000
2011 refunding bonds	8,455,000
2012 street bonds	3,155,000
2012 refunding bonds	1,460,000
	<u>\$ 23,840,000</u>

2007 General Obligation Refunding Bonds

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 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>\$ 633,390</u>	<u>\$ 2,133,390</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

2010 Build America Bonds

The proceeds from this issue were used to finance capital projects in the TIF No. 3 capital projects, environmental TIF, water utility and sewer utility funds. Interest is charged at rates of 1.4% to 5.75%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2013	\$ 100,000	\$ 95,643	\$ 195,643
November 1, 2013	-	94,976	94,976
May 1, 2014	100,000	94,976	194,976
November 1, 2014	-	94,196	94,196
May 1, 2015	185,000	94,196	279,196
November 1, 2015	-	92,453	92,453
May 1, 2016	195,000	92,453	287,453
November 1, 2016	-	90,393	90,393
May 1, 2017	500,000	90,393	590,393
November 1, 2017	-	84,462	84,462
May 1, 2018	500,000	84,462	584,462
November 1, 2018	-	78,043	78,043
May 1, 2019	500,000	78,043	578,043
November 1, 2019	-	70,974	70,974
May 1, 2020	385,000	70,974	455,974
November 1, 2020	-	65,344	65,344
May 1, 2021	315,000	65,344	380,344
November 1, 2021	-	60,583	60,583
May 1, 2022	330,000	60,583	390,583
November 1, 2022	-	55,489	55,489
May 1, 2023	345,000	55,489	400,489
November 1, 2023	-	49,995	49,995
May 1, 2024	355,000	49,995	404,995
November 1, 2024	-	44,168	44,168
May 1, 2025	370,000	44,168	414,168
November 1, 2025	-	37,975	37,975
May 1, 2026	385,000	37,975	422,975
November 1, 2026	-	31,406	31,406
May 1, 2027	405,000	31,406	436,406
November 1, 2027	-	24,364	24,364
May 1, 2028	425,000	24,364	449,364
November 1, 2028	-	16,768	16,768
May 1, 2029	445,000	16,767	461,767
November 1, 2029	-	8,596	8,596
May 1, 2030	460,000	8,596	468,596
	<u>\$ 6,300,000</u>	<u>\$ 2,096,012</u>	<u>\$ 8,396,012</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

2010 Refunding Bonds

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2013	\$ 780,000	\$ 30,975	\$ 810,975
November 1, 2013	-	23,175	23,175
May 1, 2014	915,000	23,175	938,175
November 1, 2014	-	14,025	14,025
May 1, 2015	595,000	14,025	609,025
November 1, 2015	-	8,075	8,075
May 1, 2016	680,000	8,075	688,075
	<u>\$ 2,970,000</u>	<u>\$ 121,525</u>	<u>\$ 3,091,525</u>

2011 General Obligation Refunding Bonds

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2013	\$ 1,355,000	\$ 99,153	\$ 1,454,153
October 1, 2013	-	85,603	85,603
April 1, 2014	1,420,000	85,603	1,505,603
October 1, 2014	-	71,403	71,403
April 1, 2015	845,000	71,403	916,403
October 1, 2015	-	62,953	62,953
April 1, 2016	875,000	62,953	937,953
October 1, 2016	-	53,657	53,657
April 1, 2017	905,000	53,657	958,657
October 1, 2017	-	43,475	43,475
April 1, 2018	940,000	43,475	983,475
October 1, 2018	-	31,725	31,725
April 1, 2019	970,000	31,725	1,001,725
October 1, 2019	-	17,175	17,175
April 1, 2020	1,145,000	17,175	1,162,175
	<u>\$ 8,455,000</u>	<u>\$ 831,135</u>	<u>\$ 9,286,135</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

2012 General Obligation Street Bonds

The proceeds from this issue were used to finance various infrastructure improvements.

Interest is charged at rates of 2.0% to 2.8%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2013	\$ -	\$ 38,418	\$ 38,418
October 1, 2013	-	38,418	38,418
April 1, 2014	-	38,418	38,418
October 1, 2014	-	38,418	38,418
April 1, 2015	50,000	38,418	88,418
October 1, 2015	-	37,917	37,917
April 1, 2016	50,000	37,917	87,917
October 1, 2016	-	37,417	37,417
April 1, 2017	50,000	37,417	87,417
October 1, 2017	-	36,917	36,917
April 1, 2018	50,000	36,917	86,917
October 1, 2018	-	36,418	36,418
April 1, 2019	165,000	36,418	201,418
October 1, 2019	-	34,768	34,768
April 1, 2020	170,000	34,768	204,768
October 1, 2020	-	33,067	33,067
April 1, 2021	120,000	33,067	153,067
October 1, 2021	-	31,718	31,718
April 1, 2022	125,000	31,718	156,718
October 1, 2022	-	30,311	30,311
April 1, 2023	165,000	30,311	195,311
October 1, 2023	-	28,455	28,455
April 1, 2024	200,000	28,455	228,455
October 1, 2024	-	26,205	26,205
April 1, 2025	190,000	26,205	216,205
October 1, 2025	-	24,068	24,068
April 1, 2026	195,000	24,068	219,068
October 1, 2026	-	21,776	21,776
April 1, 2027	200,000	21,776	221,776
October 1, 2027	-	19,326	19,326
April 1, 2028	205,000	19,326	224,326
October 1, 2028	-	16,713	16,713
April 1, 2029	215,000	16,713	231,713
October 1, 2029	-	13,864	13,864
April 1, 2030	220,000	13,864	233,864
October 1, 2030	-	10,894	10,894
April 1, 2031	385,000	10,894	395,894
October 1, 2031	-	5,600	5,600
April 1, 2032	400,000	5,600	405,600
	<u>\$ 3,155,000</u>	<u>\$ 1,082,958</u>	<u>\$ 4,237,958</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

2012 General Obligation Refunding Bonds

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2013	\$ 225,000	\$ 14,373	\$ 239,373
October 1, 2013	-	8,390	8,390
April 1, 2014	235,000	8,390	243,390
October 1, 2014	-	7,685	7,685
April 1, 2015	145,000	7,685	152,685
October 1, 2015	-	7,069	7,069
April 1, 2016	145,000	7,069	152,069
October 1, 2016	-	6,307	6,307
April 1, 2017	145,000	6,307	151,307
October 1, 2017	-	5,401	5,401
April 1, 2018	150,000	5,401	155,401
October 1, 2018	-	4,276	4,276
April 1, 2019	145,000	4,276	149,276
October 1, 2019	-	2,972	2,972
April 1, 2020	155,000	2,972	157,972
October 1, 2020	-	1,383	1,383
April 1, 2021	55,000	1,383	56,383
October 1, 2021	-	750	750
April 1, 2022	60,000	750	60,750
	<u>\$ 1,460,000</u>	<u>\$ 102,839</u>	<u>\$ 1,562,839</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Other Long-Term Obligations</u>	Outstanding Principal 12/31/2012
2005 community development lease revenue refunding bonds	<u>\$ 9,050,000</u>

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%

	Principal	Interest	Total
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
	\$ 9,050,000	\$ 1,522,013	\$ 10,572,013

<u>Utility Revenue Debt</u>	Outstanding Principal 12/31/2012
2008 sewer revenue bonds - Clean Water Fund (No. 5096-02)	\$ 3,776,826
2008 sewer revenue bonds - Clean Water Fund (No. 5096-04)	764,460
2011 water revenue refunding bonds	1,950,000
2012 water revenue bonds - Clean Water Fund (No. 5475-01)	1,986,367
2012 sewer revenue bonds - Clean Water Fund (No. 5096-09)	519,230
	\$ 6,491,286

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2013	\$ 193,830	\$ 48,513	\$ 242,343
November 1, 2013	-	46,024	46,024
May 1, 2014	198,810	46,024	244,834
November 1, 2014	-	43,470	43,470
May 1, 2015	203,917	43,470	247,387
November 1, 2015	-	40,851	40,851
May 1, 2016	209,156	40,851	250,007
November 1, 2016	-	38,164	38,164
May 1, 2017	214,529	38,164	252,693
November 1, 2017	-	35,408	35,408
May 1, 2018	220,040	35,408	255,448
November 1, 2018	-	32,582	32,582
May 1, 2019	225,693	32,582	258,275
November 1, 2019	-	29,683	29,683
May 1, 2020	231,491	29,683	261,174
November 1, 2020	-	26,709	26,709
May 1, 2021	237,438	26,709	264,147
November 1, 2021	-	23,660	23,660
May 1, 2022	243,538	23,660	267,198
November 1, 2022	-	20,531	20,531
May 1, 2023	249,794	20,531	270,325
November 1, 2023	-	17,323	17,323
May 1, 2024	256,211	17,323	273,534
November 1, 2024	-	14,032	14,032
May 1, 2025	262,794	14,032	276,826
November 1, 2025	-	10,656	10,656
May 1, 2026	269,545	10,656	280,201
November 1, 2026	-	7,193	7,193
May 1, 2027	276,469	7,193	283,662
November 1, 2027	-	3,642	3,642
May 1, 2028	283,571	3,642	287,213
	<u>\$ 3,776,826</u>	<u>\$ 828,369</u>	<u>\$ 4,605,195</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 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	59,719	706	60,425
	<u>\$ 764,460</u>	<u>\$ 143,470</u>	<u>\$ 907,930</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

2011 Water Revenue Refunding Bonds

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2013	\$ 175,000	\$ 27,749	\$ 202,749
November 1, 2013	-	25,999	25,999
May 1, 2014	175,000	25,999	200,999
November 1, 2014	-	24,248	24,248
May 1, 2015	180,000	24,248	204,248
November 1, 2015	-	22,449	22,449
May 1, 2016	185,000	22,449	207,449
November 1, 2016	-	19,674	19,674
May 1, 2017	190,000	19,674	209,674
November 1, 2017	-	16,823	16,823
May 1, 2018	195,000	16,823	211,823
November 1, 2018	-	13,898	13,898
May 1, 2019	200,000	13,898	213,898
November 1, 2019	-	10,899	10,899
May 1, 2020	210,000	10,899	220,899
November 1, 2020	-	7,539	7,539
May 1, 2021	215,000	7,539	222,539
November 1, 2021	-	3,938	3,938
May 1, 2022	225,000	3,938	228,938
	<u>\$ 1,950,000</u>	<u>\$ 318,683</u>	<u>\$ 2,268,683</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2013	\$ 85,343	\$ 21,820	\$ 107,163
November 1, 2013	-	20,911	20,911
May 1, 2014	87,220	20,911	108,131
November 1, 2014	-	19,952	19,952
May 1, 2015	89,139	19,952	109,091
November 1, 2015	-	18,971	18,971
May 1, 2016	91,100	18,971	110,071
November 1, 2016	-	17,969	17,969
May 1, 2017	93,105	17,969	111,074
November 1, 2017	-	16,945	16,945
May 1, 2018	95,153	16,945	112,098
November 1, 2018	-	15,898	15,898
May 1, 2019	97,246	15,898	113,144
November 1, 2019	-	14,829	14,829
May 1, 2020	99,386	14,829	114,215
November 1, 2020	-	13,735	13,735
May 1, 2021	101,572	13,735	115,307
November 1, 2021	-	12,618	12,618
May 1, 2022	103,807	12,618	116,425
November 1, 2022	-	11,476	11,476
May 1, 2023	106,090	11,476	117,566
November 1, 2023	-	10,309	10,309
May 1, 2024	108,424	10,309	118,733
November 1, 2024	-	9,117	9,117
May 1, 2025	110,810	9,117	119,927
November 1, 2025	-	7,898	7,898
May 1, 2026	113,248	7,898	121,146
November 1, 2026	-	6,652	6,652
May 1, 2027	115,739	6,652	122,391
November 1, 2027	-	5,379	5,379
May 1, 2028	118,285	5,379	123,664
November 1, 2028	-	4,078	4,078
May 1, 2029	120,888	4,078	124,966
November 1, 2029	-	2,748	2,748
May 1, 2030	123,547	2,748	126,295
November 1, 2030	-	1,389	1,389
May 1, 2031	126,265	1,389	127,654
	<u>\$ 1,986,367</u>	<u>\$ 443,568</u>	<u>\$ 2,429,935</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

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

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.2%. The total proceeds available for the loan is \$7,722,769. The balance of the proceeds will be issued in 2013.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2013	\$ -	\$ 5,489	\$ 5,489
November 1, 2013	-	6,815	6,815
May 1, 2014	21,427	6,815	28,242
November 1, 2014	-	6,534	6,534
May 1, 2015	21,990	6,534	28,524
November 1, 2015	-	6,245	6,245
May 1, 2016	22,567	6,245	28,812
November 1, 2016	-	5,949	5,949
May 1, 2017	23,159	5,949	29,108
November 1, 2017	-	5,645	5,645
May 1, 2018	23,767	5,645	29,412
November 1, 2018	-	5,333	5,333
May 1, 2019	24,391	5,333	29,724
November 1, 2019	-	5,013	5,013
May 1, 2020	25,031	5,013	30,044
November 1, 2020	-	4,684	4,684
May 1, 2021	25,688	4,684	30,372
November 1, 2021	-	4,347	4,347
May 1, 2022	26,363	4,347	30,710
November 1, 2022	-	4,001	4,001
May 1, 2023	27,055	4,001	31,056
November 1, 2023	-	3,646	3,646
May 1, 2024	27,765	3,646	31,411
November 1, 2024	-	3,282	3,282
May 1, 2025	28,494	3,282	31,776
November 1, 2025	-	2,908	2,908
May 1, 2026	29,242	2,908	32,150
November 1, 2026	-	2,524	2,524
May 1, 2027	30,009	2,524	32,533
November 1, 2027	-	2,130	2,130
May 1, 2028	30,797	2,130	32,927
November 1, 2028	-	1,726	1,726
May 1, 2029	31,605	1,726	33,331
November 1, 2029	-	1,311	1,311
May 1, 2030	32,435	1,311	33,746
November 1, 2030	-	885	885
May 1, 2031	33,286	885	34,171
November 1, 2031	-	447	447
May 1, 2032	34,159	447	34,606
	<u>\$ 519,230</u>	<u>\$ 152,339</u>	<u>\$ 671,569</u>