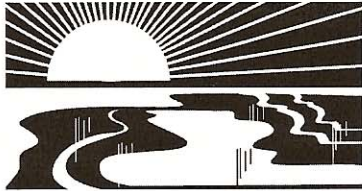


CITY OF BURLINGTON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2010

CITY OF BURLINGTON
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Patrick W. Romenesko, S.C.
CERTIFIED PUBLIC ACCOUNTANT

1001 Host Drive • P.O. Box 508 • Lake Geneva, Wisconsin 53147
Telephone 262/248-0220 • Facsimile 262/248-8429

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, 2010, which collectively comprise the City of Burlington's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Burlington's management. My responsibility is to express opinions on these financial statements based on my audit.

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

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington at December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary information for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burlington's basic financial statements. The combining financial statements, detailed general fund budget and actual schedules, and long-term debt individual repayment schedules are presented for purposes of additional analysis and are not a required part of the of the basic financial statements. The combining financial statements, detailed general fund budget and actual schedules, and long-term debt individual repayment schedules are the responsibility of management and were derived from and relate

directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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.

Patrick W. Romenesko, S.C.

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

Lake Geneva, Wisconsin
June 6, 2011

CITY OF BURLINGTON
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	<u>Primary Government</u>		<u>Total</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		<u>Housing Authority</u>
<u>ASSETS</u>				
Cash and investments	\$ 5,285,451	\$ 515,027	\$ 5,800,478	\$ 8,706
Receivables:				
2010 tax levy	9,677,622	-	9,677,622	-
Delinquent personal property tax (net of allowance for uncollectible accounts)	10,451	-	10,451	-
Accounts and other	58,240	1,086,925	1,145,165	-
Special assessments	68,472	341,434	409,906	-
Internal balances	879,500	(879,500)	-	-
Inventories	-	53,089	53,089	-
Prepaid items	3,097	-	3,097	6,075
Restricted assets:				
Cash and investments	2,120,156	523,644	2,643,800	90,748
Unamortized debt issuance costs	531,693	81,970	613,663	-
Deferred special assessments	53,010	-	53,010	-
Notes receivable	1,623,760	-	1,623,760	-
Other deferred debits	-	477,585	477,585	-
Capital assets (net of accumulated depreciation):				
Land and land rights	19,958,830	1,173,332	21,132,162	87,236
Buildings and improvements	8,784,624	22,990,546	31,775,170	2,233,258
Land improvements and other structures	3,455,932	-	3,455,932	121,446
Machinery and equipment	6,072,457	8,922,248	14,994,705	158,712
Infrastructure	38,401,591	32,459,377	70,860,968	-
Less: accumulated depreciation	<u>(22,371,773)</u>	<u>(24,379,476)</u>	<u>(46,751,249)</u>	<u>(1,479,823)</u>
Total assets	<u>74,613,113</u>	<u>43,366,201</u>	<u>117,979,314</u>	<u>1,226,358</u>
<u>LIABILITIES</u>				
Accounts payable and other current liabilities	2,067,202	299,698	2,366,900	26,663
Accrued interest payable	327,521	19,957	347,478	-
Deposits held	16,458	3,000	19,458	25,953
Deferred revenue	10,028,443	-	10,028,443	-
Liabilities payable from restricted assets:				
Accrued interest payable	-	53,166	53,166	-
Non-current liabilities:				
Compensated absences, due beyond one year	358,918	75,448	434,366	-
Bonds and notes payable, due within one year	2,939,880	1,818,770	4,758,650	44,916
Bonds and notes payable, due beyond one year	<u>28,718,132</u>	<u>10,228,556</u>	<u>38,946,688</u>	<u>886,301</u>
Total liabilities	<u>44,456,554</u>	<u>12,498,595</u>	<u>56,955,149</u>	<u>983,833</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	23,175,342	29,157,416	52,332,758	189,612
Restricted for debt service	2,120,156	523,644	2,643,800	49,983
Unrestricted	4,861,061	1,186,546	6,047,607	2,930
Total net assets	<u>\$ 30,156,559</u>	<u>\$ 30,867,606</u>	<u>\$ 61,024,165</u>	<u>\$ 242,525</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, 2010

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 843,265	\$ 42,294	\$ -	\$ -
Public safety	3,812,134	333,942	53,357	-
Public works	2,993,899	13,604	616,402	330,000
Health and human services	94,820	-	-	-
Culture, recreation and education	1,517,796	73,435	343,236	1,704
Conservation and development	548,912	14,040	-	-
Interest on long-term debt	1,258,433	-	-	-
Total governmental activities	11,069,259	477,315	1,012,995	331,704
Business-type activities:				
Water	1,496,949	1,779,179	51,580	-
Sewer	3,324,057	3,375,415	40,614	-
Airport	624,309	528,212	-	-
Total business-type activities	5,445,315	5,682,806	92,194	-
Total primary government	16,514,573	6,160,121	1,105,189	331,704
Component unit:				
Housing authority	\$ 336,604	\$ 352,018	\$ -	\$ -

General revenues:

Taxes:

Property taxes levied for general purposes

Franchise taxes

Public accommodation taxes

Payments in lieu of taxes

Other taxes

Intergovernmental revenues not restricted
to specific programs

Property rents

Gain on sale of assets

Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

See accompanying notes to financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Authority
\$ (800,971)	\$ -	\$ (800,971)	\$ -
(3,424,835)	-	(3,424,835)	-
(2,033,893)	-	(2,033,893)	-
(94,820)	-	(94,820)	-
(1,099,421)	-	(1,099,421)	-
(534,872)	-	(534,872)	-
(1,258,433)	-	(1,258,433)	-
<u>(9,247,245)</u>	<u>-</u>	<u>(9,247,245)</u>	<u>-</u>
-	333,810	333,810	-
-	91,972	91,972	-
<u>-</u>	<u>(96,097)</u>	<u>(96,097)</u>	<u>-</u>
<u>-</u>	<u>329,685</u>	<u>329,685</u>	<u>-</u>
<u>(9,247,245)</u>	<u>329,685</u>	<u>(8,917,559)</u>	<u>-</u>
			<u>15,414</u>
9,323,877	-	9,323,877	-
118,070	-	118,070	-
19,929	-	19,929	-
38,978	-	38,978	-
4,543	-	4,543	-
767,663	-	767,663	-
47,036	-	47,036	-
44,151	-	44,151	-
132,333	16,160	148,493	153
326,566	(326,566)	-	-
<u>10,823,146</u>	<u>(310,406)</u>	<u>10,512,740</u>	<u>153</u>
1,575,901	19,279	1,595,180	15,567
<u>28,580,658</u>	<u>30,848,327</u>	<u>59,428,985</u>	<u>226,958</u>
<u>\$ 30,156,559</u>	<u>\$ 30,867,606</u>	<u>\$ 61,024,165</u>	<u>\$ 242,525</u>

A two-page balance sheet - governmental funds follows.

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General	TIF No. 3	Other	Total
<u>ASSETS</u>	<u>Fund</u>	<u>Debt Service</u>	<u>Governmental</u>	<u>Governmental</u>
	Fund	Fund	Funds	Funds
Cash and investments	\$ 1,989,709	\$ -	\$ 2,948,600	\$ 4,938,309
Receivables:				
2010 tax levy	4,445,814	3,676,125	1,555,683	9,677,622
Delinquent personal property	10,451	-	-	10,451
Accounts and other	11,455	-	-	11,455
Special assessments	1,830	-	66,642	68,472
Due from other funds	879,500	-	-	879,500
Prepaid items	3,097	-	-	3,097
Restricted assets:				
Cash and investments	-	2,120,156	-	2,120,156
Advances to other funds	844,966	960,841	-	1,805,807
Deferred special assessments	53,010	-	-	53,010
Notes receivable	-	-	1,623,760	1,623,760
Total assets	<u>8,239,832</u>	<u>6,757,122</u>	<u>6,194,685</u>	<u>21,191,639</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued expenses	262,237	2,258	1,754,569	2,019,064
Deposits held	16,457	-	-	16,457
Advances from other funds	-	764,338	1,041,469	1,805,807
Deferred revenue	5,560,973	3,676,125	3,179,443	12,416,541
Deferred special assessments	57,925	-	66,642	124,567
Total liabilities	<u>5,897,592</u>	<u>4,442,721</u>	<u>6,042,123</u>	<u>16,382,436</u>

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	<u>General</u> <u>Fund</u>	<u>TIF No. 3</u> <u>Debt Service</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Fund balances:				
Reserved for:				
Delinquent taxes receivable	10,451	-	-	10,451
Prepaid expenditures	3,097	-	-	3,097
Debt service	-	2,314,401	(80,628)	2,233,773
Permanent funds	-	-	54,670	54,670
Unreserved and designated, reported in:				
General fund	2,328,692	-	-	2,328,692
Special revenue funds	-	-	1,296,915	1,296,915
Capital projects funds	-	-	(1,118,395)	(1,118,395)
Total fund balances	<u>2,342,240</u>	<u>2,314,401</u>	<u>152,562</u>	<u>4,809,203</u>
Total liabilities and fund balances	<u>\$ 8,239,832</u>	<u>\$ 6,757,122</u>	<u>\$ 6,194,685</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	54,301,661
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,512,665
Internal service funds are used by management to charge the costs of health and dental insurance benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	345,788
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(31,812,758)</u>
Net assets of governmental activities	<u>\$ 30,156,559</u>

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, 2010

	General Fund	TIF No. 3 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Taxes:				
General property taxes	\$ 4,067,179	\$ 3,435,431	\$ 1,821,267	\$ 9,323,877
Payments in lieu of taxes	38,978	-	-	38,978
Occupational taxes	4,214	-	-	4,214
Room tax and other taxes	20,258	-	-	20,258
Intergovernmental	1,401,857	19,601	662,202	2,083,660
Licenses and permits	317,560	-	-	317,560
Fines and forfeitures	183,665	-	-	183,665
Charges for services	47,431	-	58,979	106,410
Special assessments	10,552	-	14,040	24,592
Investment earnings	14,198	82,643	35,492	132,333
TIF repayment of deferred advance	430,000	-	-	430,000
Repayments of note receivable principal	12,704	-	503,248	515,952
Other	21,249	-	23,517	44,766
Total revenues	<u>6,569,845</u>	<u>3,537,675</u>	<u>3,118,745</u>	<u>13,226,265</u>
<u>EXPENDITURES</u>				
Current:				
General government	777,602	11,621	36,098	825,321
Public safety	3,582,151	-	2,667	3,584,818
Public works	1,794,992	-	-	1,794,992
Health and human services	94,820	-	-	94,820
Culture, recreation and education	527,056	-	812,672	1,339,728
Conservation and development	145,886	201,630	1,701,396	2,048,912
Capital outlay	-	-	6,066,441	6,066,441
Bond issuance costs	-	-	69,634	69,634
Debt service:				
Principal	-	1,979,348	431,780	2,411,128
Interest and fiscal charges	-	994,260	192,960	1,187,220
Interest on general fund advances	-	48,690	-	48,690
Total expenditures	<u>6,922,507</u>	<u>3,235,549</u>	<u>9,313,648</u>	<u>19,471,704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(352,662)</u>	<u>302,126</u>	<u>(6,194,903)</u>	<u>(6,245,439)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	407,376	1,533,983	1,941,359
Transfers out	(136,607)	(1,127,554)	(668,238)	(1,932,399)
Face value of bonds issued	-	-	4,625,000	4,625,000
Face value of refunding bonds issued	-	3,434,769	855,231	4,290,000
Discount paid on bonds issued	-	-	(62,614)	(62,614)
Payment to escrow agent for refunded debt	-	(3,035,429)	(755,799)	(3,791,228)
Principal paid on refunded debt	-	(416,336)	(103,664)	(520,000)
Water utility tax equivalent	317,606	-	-	317,606
Sale of capital assets	1,810	-	42,341	44,151
Total other financing sources and uses	<u>182,809</u>	<u>(737,174)</u>	<u>5,466,240</u>	<u>4,911,875</u>
Net change in fund balances	<u>(169,853)</u>	<u>(435,048)</u>	<u>(728,663)</u>	<u>(1,333,564)</u>
Fund balances - beginning	<u>2,512,093</u>	<u>2,749,449</u>	<u>881,225</u>	<u>6,142,767</u>
Fund balances - ending	<u>\$ 2,342,240</u>	<u>\$ 2,314,401</u>	<u>\$ 152,562</u>	<u>\$ 4,809,203</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, 2010

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)	\$ (1,333,564)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Certain capital outlay costs that are recorded as capital assets in the government-wide financial statements	6,066,441
Depreciation expense is recorded in the government-wide statements	(1,621,464)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	48,690
<p>Long-term receivables not available are reported as revenue in the fund financial statements when collected or currently available, but are recognized as revenue when earned in the government-wide financial statements.</p>	
Collection of advances and loans	(951,822)
Notes receivable issued	1,500,000
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Principal and defeasance payments on long-term debt	6,722,356
Issuance of general obligation debt	(8,915,000)
Costs incurred in issuance of long-term debt	132,248
Amortization of debt issuance costs, discounts and refunding costs	(45,416)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Changes in interest accrued on long-term debt	(25,797)
Changes in compensated absences	20,741
<p>The net revenue (expense) of internal service fund activity is reported with governmental activities.</p>	
	(21,512)
Change in net assets of governmental activities (Pages 4 - 5)	\$ 1,575,901

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
General property taxes	\$ 4,292,416	\$ 4,292,416	\$ 4,067,179	\$ (225,237)
Payments in lieu of taxes	25,528	25,528	38,978	13,450
Occupational tax	881	881	4,214	3,333
Room tax	53,000	53,000	19,929	(33,071)
Other taxes	-	-	329	329
Intergovernmental	1,396,874	1,396,874	1,401,857	4,983
Licenses and permits	283,804	283,804	317,560	33,756
Fines and forfeitures	220,000	220,000	183,665	(36,335)
Charges for services	31,500	31,500	47,431	15,931
Special assessments	15,000	15,000	10,552	(4,448)
Investment income	15,000	15,000	14,198	(802)
TIF reimbursement for deferred advance	430,000	430,000	430,000	-
Other	19,704	19,704	33,953	14,249
Total revenues	<u>6,783,707</u>	<u>6,783,707</u>	<u>6,569,845</u>	<u>(213,862)</u>
<u>EXPENDITURES</u>				
Current:				
General government	821,692	821,831	777,602	44,229
Public safety	3,737,811	3,748,523	3,582,151	166,372
Public works	2,143,230	2,186,992	1,794,992	392,000
Health and human services	98,631	98,631	94,820	3,811
Culture, recreation and education	500,479	499,439	527,056	(27,617)
Conservation and development	145,742	70,742	145,886	(75,144)
Total expenditures	<u>7,447,585</u>	<u>7,426,158</u>	<u>6,922,507</u>	<u>503,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(663,878)</u>	<u>(642,451)</u>	<u>(352,662)</u>	<u>289,789</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(161,607)	(161,607)	(136,607)	25,000
Water utility tax equivalent	296,994	296,994	317,606	20,612
Sale of capital assets	-	-	1,810	1,810
Total other financing sources and uses	<u>135,387</u>	<u>135,387</u>	<u>182,809</u>	<u>47,422</u>
Change in fund balances	(528,491)	(507,064)	(169,853)	337,211
Fund balances - beginning	<u>2,512,093</u>	<u>2,512,093</u>	<u>2,512,093</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,983,602</u>	<u>\$ 2,005,029</u>	<u>\$ 2,342,240</u>	<u>\$ 337,211</u>

See accompanying notes to financial statements.

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

CITY OF BURLINGTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

	<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	\$ -	\$ -	\$ 224,482	\$ 224,482	\$ 637,685
Receivables:					
Customer accounts receivable	471,625	480,578	4,634	956,837	-
Special assessments	139,604	201,830	-	341,434	-
Other	67,541	62,547	-	130,088	46,785
Inventories	12,260	-	40,829	53,089	-
Total current assets	<u>691,030</u>	<u>744,955</u>	<u>269,945</u>	<u>1,705,930</u>	<u>684,470</u>
Noncurrent assets:					
Restricted assets:					
Restricted cash and investments	67	523,577	-	523,644	-
Total restricted assets	<u>67</u>	<u>523,577</u>	<u>-</u>	<u>523,644</u>	<u>-</u>
Other noncurrent assets:					
Unamortized debt issuance costs	43,255	38,715	-	81,970	-
Other deferred debits	108,807	368,778	-	477,585	-
Total other noncurrent assets	<u>152,062</u>	<u>407,493</u>	<u>-</u>	<u>559,555</u>	<u>-</u>
Capital assets:					
Property, plant and equipment	21,042,177	41,986,458	2,516,868	65,545,503	-
Less accumulated depreciation	<u>(4,843,464)</u>	<u>(18,517,935)</u>	<u>(1,018,077)</u>	<u>(24,379,476)</u>	<u>-</u>
Total capital assets, net	<u>16,198,713</u>	<u>23,468,523</u>	<u>1,498,791</u>	<u>41,166,027</u>	<u>-</u>
Total noncurrent assets	<u>16,350,842</u>	<u>24,399,593</u>	<u>1,498,791</u>	<u>42,249,226</u>	<u>-</u>
Total assets	<u>\$ 17,041,872</u>	<u>\$ 25,144,548</u>	<u>\$ 1,768,736</u>	<u>\$ 43,955,156</u>	<u>\$ 684,470</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 98,742	\$ 183,221	\$ 6,047	\$ 288,010	\$ 48,138
Accrued payroll	3,875	7,813	-	11,688	-
Accrued interest payable	3,503	16,454	-	19,957	-
Due to other funds - tax equivalent	355,145	-	-	355,145	-
Due to other funds - all other	524,355	-	-	524,355	-
Current portion of general obligation bonds	-	245,000	-	245,000	-
Deposits held	-	3,000	-	3,000	-
Total current liabilities	985,620	455,488	6,047	1,447,155	48,138
Current liabilities payable from restricted assets:					
Current portion of revenue bonds payable	125,000	1,448,770	-	1,573,770	-
Accrued interest payable	24,672	28,494	-	53,166	-
Total current liabilities payable from restricted assets	149,672	1,477,264	-	1,626,936	-
Noncurrent liabilities:					
Revenue bonds payable	1,970,000	4,779,603	-	6,749,603	-
General obligation bonds payable	700,000	2,778,953	-	3,478,953	-
Compensated absences	36,508	38,940	-	75,448	-
Total noncurrent liabilities	2,706,508	7,597,496	-	10,304,004	-
Total liabilities	3,841,800	9,530,248	6,047	13,378,095	48,138
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	13,403,713	14,254,912	1,498,791	29,157,416	-
Restricted for debt service	67	523,577	-	523,644	-
Unrestricted	(203,708)	835,811	263,898	896,001	636,332
Total net assets	\$ 13,200,072	\$ 15,614,300	\$ 1,762,689	\$ 30,577,061	\$ 636,332

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
<u>OPERATING REVENUES</u>					
Charges for sales and services:					
Water sales	\$ 1,758,333	\$ -	\$ -	\$ 1,758,333	\$ -
Sewer charges	-	3,337,847	-	3,337,847	-
Fuel sales	-	-	496,735	496,735	-
Billings to departments	-	-	-	-	1,252,926
Other	20,846	37,568	31,477	89,891	144,002
Total operating revenues	<u>1,779,179</u>	<u>3,375,415</u>	<u>528,212</u>	<u>5,682,806</u>	<u>1,396,928</u>
<u>OPERATING EXPENSES</u>					
Operation and maintenance	905,220	1,665,801	101,869	2,672,890	-
Fuel for resale	-	-	419,717	419,717	-
Depreciation	426,086	1,286,575	94,853	1,807,514	-
Taxes	26,707	40,255	7,870	74,832	-
Insurance claims and administration	-	-	-	-	1,428,048
Total operating expenses	<u>1,358,013</u>	<u>2,992,631</u>	<u>624,309</u>	<u>4,974,953</u>	<u>1,428,048</u>
Operating income (loss)	<u>421,166</u>	<u>382,784</u>	<u>(96,097)</u>	<u>707,853</u>	<u>(31,120)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>					
Investment income	6,408	9,511	241	16,160	1,585
Interest expense	(117,379)	(276,040)	-	(393,419)	-
Amortization expense	(4,756)	(30,840)	-	(35,596)	-
Total nonoperating revenue (expenses)	<u>(115,727)</u>	<u>(297,369)</u>	<u>241</u>	<u>(412,855)</u>	<u>1,585</u>
Income before contributions and transfers	305,439	85,415	(95,856)	294,998	(29,535)
Capital contributions	51,580	40,614	-	92,194	-
Transfer out - tax equivalent	(350,931)	-	-	(350,931)	-
Transfers out - other	(2,707)	(6,253)	-	(8,960)	-
Change in net assets	<u>3,381</u>	<u>119,776</u>	<u>(95,856)</u>	<u>27,301</u>	<u>(29,535)</u>
Total net assets - beginning of year	<u>13,196,691</u>	<u>15,494,524</u>	<u>1,858,545</u>	<u>30,549,760</u>	<u>665,867</u>
Total net assets - end of year	<u>\$ 13,200,072</u>	<u>\$ 15,614,300</u>	<u>\$ 1,762,689</u>	<u>30,577,061</u>	<u>\$ 636,332</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>290,545</u>	
Net assets of business - type activities (page 3)				<u>\$ 30,867,606</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, 2010

	<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	\$ 1,742,447	\$ 3,389,591	\$ 528,431	\$ 5,660,469	\$ -
Receipts from interfund services provided	-	-	-	-	1,350,143
Payments to suppliers	(260,745)	(1,121,207)	(520,626)	(1,902,578)	-
Payments to employees	(338,337)	(505,076)	-	(843,413)	-
Payments for interfund services used	-	-	-	-	(1,513,993)
Net cash provided by (used for) operating activities	<u>1,143,365</u>	<u>1,763,308</u>	<u>7,805</u>	<u>2,914,478</u>	<u>(163,850)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers out	<u>(353,638)</u>	<u>(6,253)</u>	<u>-</u>	<u>(359,891)</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Capital contributions	1,002	40,614	-	41,616	-
Acquisition and construction of capital assets	(1,152,128)	(1,560,565)	-	(2,712,693)	-
Proceeds from borrowing	700,000	1,239,095	-	1,939,095	-
Principal paid on bonds	(210,000)	(1,625,622)	-	(1,835,622)	-
Interest paid on bonds	(115,821)	(278,969)	-	(394,790)	-
Bond issuance costs incurred	(16,261)	(24,973)	-	(41,234)	-
Special assessment collections	2,259	2,829	-	5,088	-
Net cash used for capital and related financing activities	<u>(790,949)</u>	<u>(2,207,591)</u>	<u>-</u>	<u>(2,998,540)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest and dividends received	1,022	1,642	241	2,905	1,585
Net cash provided by investing activities	<u>1,022</u>	<u>1,642</u>	<u>241</u>	<u>2,905</u>	<u>1,585</u>
Net increase (decrease) in cash and cash equivalents	(200)	(448,894)	8,046	(441,048)	(162,265)
Cash and cash equivalents - beginning of year	<u>267</u>	<u>972,471</u>	<u>216,436</u>	<u>1,189,174</u>	<u>799,950</u>
Cash and cash equivalents - end of year	<u>\$ 67</u>	<u>\$ 523,577</u>	<u>\$ 224,482</u>	<u>\$ 748,126</u>	<u>\$ 637,685</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Business-type Activities - Enterprise Funds

RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY (USED FOR) OPERATING
ACTIVITIES

	Water Utility	Sewer Utility	Airport	Totals	Governmental Activities - Internal Service Fund
Operating income (loss)	\$ 421,166	\$ 382,784	\$ (96,097)	\$ 707,853	\$ (31,120)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	426,086	1,286,575	94,853	1,807,514	-
Depreciation charged to clearing account	18,502	-	-	18,502	-
(Increase) decrease in receivables	(36,732)	14,176	219	(22,337)	(46,785)
(Increase) decrease in inventories	(186)	-	7,592	7,406	-
Increase (decrease) in accounts payable	52,175	99,111	1,238	152,524	(85,945)
Increase (decrease) in accrued payroll	3,875	5,479	-	9,354	-
Increase (decrease) in accrued taxes	37,539	-	-	37,539	-
Increase (decrease) in due to other funds	230,961	-	-	230,961	-
Increase (decrease) in compensated absences payable	(10,021)	(24,817)	-	(34,838)	-
Total adjustments	<u>722,199</u>	<u>1,380,524</u>	<u>103,902</u>	<u>2,206,625</u>	<u>(132,730)</u>
Net cash provided by (used for) operating activities	<u><u>1,143,365</u></u>	<u><u>1,763,308</u></u>	<u><u>7,805</u></u>	<u><u>2,914,478</u></u>	<u><u>(163,850)</u></u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

Cash and investments reported as current assets	-	-	224,482	224,482	637,685
Cash and investments reported as restricted assets	<u>67</u>	<u>523,577</u>	<u>-</u>	<u>523,644</u>	<u>-</u>
Cash and cash equivalents - end of year	<u><u>\$ 67</u></u>	<u><u>\$ 523,577</u></u>	<u><u>\$ 224,482</u></u>	<u><u>\$ 748,126</u></u>	<u><u>\$ 637,685</u></u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Capital additions of \$50,578 were contributed to the water utility by customers and by the city.

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	<u>Tax Roll</u>	<u>Municipal Court</u>	<u>Developers' Reimburse Fund</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 8,803,270	\$ 16,893	\$ 71,808	\$ 8,891,971
Taxes receivable	1,565,637	-	-	1,565,637
Total assets	<u>10,368,907</u>	<u>16,893</u>	<u>71,808</u>	<u>10,457,608</u>
<u>LIABILITIES</u>				
Liabilities:				
Accounts payable	140,477	10,169	-	150,646
Due to county and state	2,522,137	-	-	2,522,137
Due to school and VTAE districts	7,706,293	-	-	7,706,293
Deposits held	-	6,724	71,808	78,532
Total liabilities	<u>10,368,907</u>	<u>16,893</u>	<u>71,808</u>	<u>10,457,608</u>
NET ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2010

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CITY OF BURLINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note 1 - Summary Of Significant Accounting Policies

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

A. Reporting Entity

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

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. Although it is a legally separate entity, standards set forth in Statement No. 14 of the Governmental Accounting Standards Board require that the financial statements of the Housing Authority of the City of Burlington be reported as a component unit of the city due to the appointment of its board of commissioners by the city's mayor. The Housing Authority of the City of Burlington is reported as a discretely presented component unit to emphasize that it is an entity that is legally separate from the city. The financial information included in the statement of net assets is as of the Housing Authority's fiscal year end of August 31, 2010. Complete financial statements for the component unit may be obtained at its administrative offices.

Riverview Manor
580 Madison Street
Burlington, Wisconsin 53105

B. Government-Wide and Fund Financial Statements

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

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

Note 1 - Summary Of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - Continued

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

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

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

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

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

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

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

Note 1 - Summary Of Significant Accounting Policies - Continued

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

Major Funds

The city reports the following major governmental funds:

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.

The city reports the following major proprietary funds:

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

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

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

Non-Major Funds

The city reports the following non-major governmental funds:

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

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

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

- General Debt Service

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

- TIF No. 3
- Environmental TIF District
- TIF No. 4
- General Infrastructure
- Downtown Redevelopment
- Revolving Capital Projects
- Stormwater Management
- Facade Grants

Note 1 - Summary Of Significant Accounting Policies - Continued

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

Additionally, the city reports the following fund types:

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

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

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

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

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

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

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

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Investments

The city's cash and investments consist of cash on hand, checking accounts, savings accounts, certificates of deposit, the state Local Government Investment Pool and government agency securities.

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

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

2. Receivable and Payables

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

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

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

Property taxes are levied in December on the assessed value as of the prior January 1. Property taxes are recorded as a receivable and deferred revenue in the appropriate fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school

Note 1 - Summary Of Significant Accounting Policies - Continued

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

2. Receivable and Payables - Continued

districts and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred revenues and due to other governments on the statement of net assets. Property tax payments received prior to year end are reflected in the agency fund. Interest on delinquent property taxes is recognized as revenue when received.

Details of the city’s property tax calendar for the 2010 tax levy follows:

Lien and levy dates	December 2010
Real estate collection due dates:	
First installment due	January 31, 2011
Second installment due	July 31, 2011
Personal property tax due in full	January 31, 2011
Final settlement with county	August 2011
Tax sale of 2010 delinquent real estate taxes	October 2013

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	\$ - - -	\$ 333	\$ 333
Bond special redemption	67	523,244	523,311
Totals	<u>\$ 67</u>	<u>\$ 523,577</u>	<u>\$ 523,644</u>

Note 1 - Summary Of Significant Accounting Policies - Continued

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

5. Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Note 1 - Summary Of Significant Accounting Policies - Continued

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

7. Long-Term Obligations - Continued

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

8. Fund Equity

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

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

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

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

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

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$31,812,758 difference are as follows:

Bonds and notes payable	\$31,779,125
Less: Deferred charges for bond refunding costs (to be amortized as interest expense over life of debt)	(121,113)
Less: Issuance discount (to be amortized as interest expense)	(531,693)
Add: Accrued interest payable	327,521
Add: Compensated absences payable	<u>358,918</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net-assets - governmental activities</i>	<u>\$31,812,758</u>

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

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

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

Notes receivable issued	\$ 1,500,000
Principal repayments received on notes receivable	(521,822)
Repayment of advance made by general fund to the TIF no. 3 fund that is reported as revenue in the fund financial statements	<u>(430,000)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 214,048</u>

Note 3 - Stewardship, Compliance, and Accountability

A. Budgetary Information

The government reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budgeted revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditure. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances. Expenditures cannot legally exceed their appropriations at the fund level.

The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the city council. A budget amendment was made during the year.

B. Deficit Fund Equity

The following individual funds had deficit fund balances as of December 31, 2010.

	<u>Amount of Deficit</u>
<u>Debt Service Funds:</u>	
General debt service fund	\$ (80,628)
Environmental TIF district capital projects fund	(2,285,939)
General infrastructure capital projects fund	(422,305)
Downtown redevelopment capital projects fund	(52,658)

Note 3 - Stewardship, Compliance, and Accountability - Continued

B. Deficit Fund Equity - Continued

The debt service fund deficit balance is expected to be eliminated by future appropriations from the general fund. The deficit fund balance in the environmental TIF district capital projects funds will be eliminated in 2011 by loan proceeds and repayments. The deficit fund balances in the general infrastructure and downtown redevelopment funds will be eliminated by future property tax levies.

C. General Fund Designated and Reserved Fund Balances

The fund balance of the general fund has been designated at December 31, 2010 for the following:

Working capital requirements	<u>\$ 2,328,692</u>
------------------------------	---------------------

The fund balance of the general fund has been reserved at December 31, 2010 for the following:

Delinquent personal property taxes	\$ 10,451
Prepaid expenditures	<u>3,097</u>
Total	<u>\$ 13,548</u>

D. Utility Debt Service Redemption Funds

Provisions of the water and sewer utility bond agreements specify certain balances in debt service redemption funds. Those balances were calculated as \$55,922 and \$827,871 for the water and sewer utilities, respectively, at December 31, 2010. The balance required for the water and sewer utilities were not fully funded at year end.

Note 4 - Detailed Notes on All Funds

A. Cash and Investments

The city's cash and investments at December 31, 2010 consisted of the following:

	<u>Carrying Amount</u>	<u>Weighted Average Maturity (Days)</u>
Petty cash	\$ 1,008	N/A
Interest bearing checking accounts	10,462,652	Demand
Money market savings accounts	510,453	Demand
Treasury portfolio fund	115,652	Demand
State local government investment pool	3,589,357	73
Certificates of deposit	1,177,308	412
Federal Home Loan zero coupon note	<u>1,479,819</u>	90
Total carrying amount	<u>\$17,336,249</u>	

Note 4 - Detailed Notes on All Funds - Continued

A. Cash and Investments - Continued

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.

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

Statement of net assets:

Cash and investments	\$ 5,800,478
Restricted cash and investments	<u>2,643,800</u>
Total reported on statement of net assets	8,444,278
Statement of fiduciary net assets	<u>8,891,971</u>
Total Cash and Investments	<u>\$ 17,336,249</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.

Note 4 - Detailed Notes on All Funds - Continued

A. Cash and Investments - Continued

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 \$3,589,357 at December 31, 2010 is at cost basis. The fair value of the LGIP investment at December 31, 2010 did not materially differ from its cost basis. The LGIP had a weighted average maturity of 73 days at December 31, 2010.

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

B. Receivables

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

	General	TIF No. 3 Debt Service	Water Utility	Sewer Utility	Airport	Nonmajor and Fiduciary Funds	Totals
Receivables:							
Taxes - current	\$ 4,445,814	\$ 3,676,125	\$ ---	\$ ---	\$ ---	\$ 3,121,320	\$11,243,259
Taxes - delinquent	10,451	---	---	---	---	---	10,451
Accounts and other	11,455	---	539,166	543,125	4,634	---	1,098,380
Special assessments	1,830	---	139,604	201,830	---	66,642	409,906
Notes	---	---	---	---	---	1,623,760	1,623,760
Net total receivables	<u>\$ 4,469,550</u>	<u>\$ 3,676,125</u>	<u>\$ 678,770</u>	<u>\$ 744,955</u>	<u>\$ 4,634</u>	<u>\$ 4,811,722</u>	<u>\$14,385,756</u>

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

	Unavailable	Unearned
Property and other taxes receivable	\$ ---	\$ 9,673,298
Water utility property tax equivalent	---	355,145
Notes receivable (special revenue funds)	1,623,760	---
Special assessments not yet due (various funds)	124,567	---
Interfund advances receivable (general fund)	764,338	---
Total deferred/unearned revenue for governmental funds	<u>\$ 2,512,665</u>	<u>\$ 10,028,443</u>

Note 4 - Detailed Notes on All Funds - Continued

B. Receivables - Continued

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 12/31/10</u>
Community Development Block Grant	10/23/00	6.0%	60,000	\$ 36,292
Community Development Block Grant	7/6/10	2.0%	340,000	340,000
TIF No. 3 Revolving Loan	10/10/02	4.0%	100,934	69,039
TIF No. 3 Revolving Loan	6/01/09	1.625%	21,425	18,429
TIF No. 3 Capital Projects	9/1/10	7.5%	1,160,000	1,160,000
Total				<u>\$ 1,623,760</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2010 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	\$ 19,694,513	\$ 264,317	\$ - - -	\$ 19,958,830
Total capital assets, not being depreciated	19,694,513	264,317	- - -	19,958,830
Capital assets, being depreciated:				
Buildings and improvements	3,546,116	5,238,508	- - -	8,784,624
Land improvements and other structures	3,427,786	28,146	- - -	3,455,932
Machinery and equipment	5,980,024	92,433	- - -	6,072,457
Infrastructure	37,958,554	443,037	- - -	38,401,591
Total capital assets being depreciated	50,912,480	5,802,124	- - -	56,714,604
Less accumulated depreciation for:				
Buildings and other improvements	(2,704,441)	(225,960)	- - -	(2,930,401)
Machinery and equipment	(3,273,920)	(315,084)	- - -	(3,589,004)
Infrastructure	(14,771,948)	(1,080,420)	- - -	(15,852,368)
Total accumulated depreciation	(20,750,309)	(1,621,464)	- - -	(22,371,773)
Total capital assets, being depreciated, net	30,162,171	4,180,660	- - -	34,342,831
Governmental activities capital assets, net	\$ 49,856,684	\$ 4,444,977	\$ - - -	\$ 54,301,661

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets - Continued

Business Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Water Utility				
Capital assets, not being depreciated:				
Land	\$ 269,027	\$ ---	\$ ---	\$ 269,027
Total capital assets, not being depreciated	<u>269,027</u>	<u>---</u>	<u>---</u>	<u>269,027</u>
Capital assets, being depreciated:				
Buildings and system	1,534,193	706,400	---	2,240,593
Machinery and equipment	1,560,065	40,499	---	1,600,564
Infrastructure	16,637,901	356,169	(62,077)	16,931,993
Total capital assets being depreciated	19,732,159	1,103,068	(62,077)	20,773,150
Less: accumulated depreciation	<u>(4,460,953)</u>	<u>(444,588)</u>	<u>62,077</u>	<u>(4,843,464)</u>
Total capital assets, being depreciated, net	<u>15,271,206</u>	<u>658,480</u>	<u>---</u>	<u>15,929,686</u>
Business-type activities capital assets, net	<u>\$ 15,540,233</u>	<u>\$ 658,480</u>	<u>\$ ---</u>	<u>\$ 16,198,713</u>

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

Sewer Utility

Capital assets, not being depreciated:				
Land	\$ 778,671	\$ ---	\$ ---	\$ 778,671
Construction in progress	2,903	---	(2,903)	---
Total capital assets, not being depreciated	<u>781,574</u>	<u>---</u>	<u>(2,903)</u>	<u>778,671</u>
Capital assets, being depreciated:				
Buildings and system	17,579,505	1,075,000	---	18,654,505
Machinery and equipment	8,428,710	137,844	(37,000)	8,529,554
Infrastructure	13,696,065	334,663	(7,000)	14,023,728
Total capital assets being depreciated	<u>39,704,280</u>	<u>1,547,507</u>	<u>(44,000)</u>	<u>41,207,787</u>
Less: accumulated depreciation:				
Buildings and system	(8,556,420)	(603,296)	---	9,159,717
Machinery and equipment	(5,947,196)	(339,556)	37,000	6,309,899
Infrastructure	<u>(2,771,744)</u>	<u>(343,723)</u>	<u>7,000</u>	<u>3,048,319</u>
Total accumulated depreciation	<u>(17,275,360)</u>	<u>(1,286,575)</u>	<u>44,000</u>	<u>(18,517,935)</u>
Total capital assets, being depreciated, net	<u>22,428,920</u>	<u>260,932</u>	<u>---</u>	<u>22,689,852</u>
Business-type activities capital assets, net	<u>\$ 23,210,494</u>	<u>\$ 260,932</u>	<u>\$ (2,903)</u>	<u>\$ 23,468,523</u>

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets - Continued

Business Type Activities - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Airport				
Capital assets, not being depreciated:				
Land	\$ 125,634	\$ ---	\$ ---	\$ 125,634
Total capital assets, not being depreciated	<u>125,634</u>	<u>---</u>	<u>---</u>	<u>125,634</u>
Capital assets, being depreciated:				
Buildings	41,180	---	---	41,180
Land improvements	2,054,267	---	---	2,054,267
Machinery and equipment	295,787	---	---	295,787
Total capital assets being depreciated	<u>2,391,234</u>	<u>---</u>	<u>---</u>	<u>2,391,234</u>
Less: accumulated depreciation:				
Buildings	(41,138)	(433)	---	(41,571)
Land improvements	(735,761)	(65,305)	---	(801,066)
Machinery and equipment	(146,325)	(29,115)	---	(175,440)
Total accumulated depreciation	<u>(923,224)</u>	<u>(94,583)</u>	<u>---</u>	<u>(1,018,077)</u>
Total capital assets, being depreciated, net	<u>1,468,010</u>	<u>(94,583)</u>	<u>---</u>	<u>1,373,157</u>
Business-type activities capital assets, net \$	<u>\$ 1,593,644</u>	<u>\$ (94,583)</u>	<u>\$ ---</u>	<u>\$ 1,498,791</u>

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

Governmental activities:	
General government	\$ 10,269
Public safety	231,463
Highways and streets, including depreciation of general infrastructure assets	1,215,228
Culture and recreation	<u>164,504</u>
Total depreciation expense - governmental activities	<u>\$ 1,621,464</u>
Business-type activities:	
Water	\$ 444,588
Sewer	1,286,575
Airport	<u>94,583</u>
Total depreciation expense - business-type activities	<u>\$ 1,825,746</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, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 87,236	\$ - - -	\$ - - -	\$ 87,236
Capital assets, being depreciated:				
Buildings	2,147,508	85,750	- - -	2,233,258
Landscaping	121,446	- - -	- - -	121,446
Furniture and equipment	147,628	11,084	- - -	158,712
Total capital assets being depreciated	2,416,582	96,834	- - -	2,513,416
Less: accumulated depreciation	(1,423,021)	(56,802)	- - -	(1,479,823)
Total capital assets, being depreciated, net	993,561	40,032	- - -	1,033,593
Business-type activities capital assets, net	<u>\$ 1,080,797</u>	<u>\$ 40,032</u>	<u>\$ - - -</u>	<u>\$ 1,120,829</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, 2010, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water utility	\$ 355,145
General	Sewer utility	524,355
		<u>\$ 879,500</u>

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	TIF No. 3 debt service	\$ 764,338
General	General debt service	80,628
TIF No. 3 debt service	Environmental TIF district	960,841
		<u>\$ 1,805,807</u>

Annual repayments of the advance payable by TIF No. 3 debt service fund to the general fund is determined by the city council. Interest on the advance is charged to the TIF No. 3 fund at 4.25%. The advance from the general fund to the general debt service fund will be repaid from future property tax revenues. The advance from the TIF No. 3 debt service fund to the environmental TIF district will be repaid by loan proceeds issued in 2011 and future tax increments.

Note 4 - Detailed Notes on All Funds - Continued

Interfund transfers:

	Transfers In			Total
	TIF No. 3 Debt Service	General Debt Service	TIF No. 3 Capital Projects	
Transfers Out:				
General fund	\$ ---	\$ 136,607	\$ ---	\$ 136,607
Library operations special revenue	---	4,683	---	4,683
TIF No. 3 debt service	---	---	1,127,554	1,127,554
TIF No. 4 capital projects	407,376	256,179	---	663,555
Water utility enterprise fund	---	2,707	---	2,707
Sewer utility enterprise fund	---	6,253	---	6,253
Total	\$ 407,376	\$ 406,429	\$ 1,127,554	\$ 1,941,359

E. Long-Term Obligations

Outstanding debt and other long-term obligations of the city at December 31, 2010 follows:

Issue	Interest Rate	Original Principal	Outstanding Principal At 12/31/10		Purpose
			General	Proprietary	
<u>General obligation debt:</u>					
2001 refunding bonds	4.0-4.8%	9,990,000	\$ 8,390,000	\$ ---	Riverfront
2001 CDA bonds	3.0-4.45%	6,500,000	550,000	---	Riverfront
2004 state trust fund loan	5.25%	734,110	561,668	---	Pension
2004 refunding sewer bonds	2.0-3.5%	2,930,000	---	2,015,000	Sewer
2007 refunding bonds	4.1%-4.375%	1,500,000	1,500,000	---	Infrastructure
2009 state trust fund loan	3.5%	342,194	342,194	---	Various
2010 Build America bonds	1.4%-5.75%	6,400,000	4,625,000	1,775,000	Various
2010 refunding bonds	2.0%-2.375%	4,290,000	4,290,000	---	TIF 3,4&Various
Total bonds and notes			<u>20,258,862</u>	<u>3,790,000</u>	
<u>Other long-term obligations:</u>					
2000 tax increment rev. bonds	0%	1,500,000	420,263	---	Fitness Center
2005 revenue lease bonds	2.7-4.25%	11,810,000	11,100,000	---	Riverfront
Compensated absences (Note 5B.)			<u>358,918</u>	<u>75,448</u>	
Total other long-term obligations			<u>11,879,181</u>	<u>75,448</u>	
<u>Utility revenue debt:</u>					
1991 CWF revenue bonds	3.6%	17,563,860	---	1,230,728	Sewer
2002 revenue bonds	4.0-5.0%	2,500,000	---	2,095,000	Water
2008 CWF revenue bonds (1)	2.569%	4,465,837	---	4,150,043	Sewer
2008 CWF revenue bonds (2)	2.365%	926,948	---	847,602	Sewer
Total utility revenue debt			<u>---</u>	<u>8,323,373</u>	
Total Long-Term Obligations			32,138,043	12,188,821	
Less: deferred bond refunding costs			<u>(121,113)</u>	<u>(66,047)</u>	
Net Long-Term Obligations			<u>\$32,016,930</u>	<u>\$12,122,774</u>	

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

A. General obligation debt

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

Year Ended December 31,	General City Long-Term Debt		Proprietary Fund Long-Term Debt		Totals
	Principal	Interest	Principal	Interest	
2011	\$ 1,834,880	\$ 874,558	\$ 245,000	\$ 120,109	\$ 3,074,547
2012	1,565,109	805,957	620,000	112,776	3,103,842
2013	1,655,021	726,341	630,000	94,260	3,105,622
2014	1,845,037	637,357	670,000	74,397	3,226,791
2015	1,570,540	552,648	50,000	51,836	2,225,024
2016-2020	8,061,855	1,679,465	285,000	240,074	10,266,394
2021-2025	2,036,420	504,701	560,000	177,857	3,278,978
2026-2030	1,690,000	143,981	730,000	69,313	2,633,294
	<u>\$ 20,258,862</u>	<u>\$ 5,925,008</u>	<u>\$3,790,000</u>	<u>\$ 940,622</u>	<u>\$ 30,914,492</u>

General city and proprietary fund indebtedness represented by general obligation notes totaled \$24,048,862 on December 31, 2010. The city's full faith and credit back these general obligation notes. Transactions for 2010 are summarized as follows:

Balance - January 1, 2010	\$ 19,235,255
Loan proceeds	10,690,000
Principal reductions - current	(1,706,393)
Principal defeasance - refunding	<u>(4,170,000)</u>
Balance - December 31, 2010	<u>\$ 24,048,862</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
2011	\$ 1,000,000	\$ 412,225	\$ 1,412,225
2012	1,050,000	377,612	1,427,612
2013	1,050,000	341,125	1,391,125
2014	1,100,000	302,950	1,402,950
2015	1,100,000	262,525	1,362,525
2016-2020	5,800,000	615,413	6,415,413
	<u>\$ 11,100,000</u>	<u>\$ 2,311,850</u>	<u>\$ 13,411,850</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 \$11,100,000 on December 31, 2010. These bonds were issued to finance the riverfront improvement project. Transactions for 2010 are summarized as follows:

Balance - January 1, 2010	\$ 11,925,000
Principal reductions	<u>(825,000)</u>
Balance - December 31, 2010	<u>\$ 11,100,000</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
2011	\$ 105,000	\$ ---	\$ 105,000
2012	105,000	---	105,000
2013	105,000	---	105,000
2014	<u>105,263</u>	<u>---</u>	<u>105,263</u>
	<u>\$ 420,263</u>	<u>\$ ---</u>	<u>\$ 420,263</u>

Tax increment indebtedness represented by the revenue bonds totaled \$420,263 on December 31, 2010. These bonds were issued for the various developer and construction agreements. Transactions for 2010 are summarized as follows:

Balance - January 1, 2010	\$ 525,000
Principal reductions	<u>(104,737)</u>
Balance - December 31, 2010	<u>\$ 420,263</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
2011	\$ 1,581,055	\$ 244,647	\$ 1,825,702
2012	366,032	211,405	577,437
2013	381,882	199,744	581,626
2014	392,880	187,437	580,317
2015	409,029	174,609	583,638
2016 - 2020	2,272,987	655,396	2,928,383
2021 - 2025	1,971,864	252,804	2,224,668
2026 - 2028	<u>947,644</u>	<u>35,135</u>	<u>982,779</u>
Totals	<u>\$ 8,323,373</u>	<u>\$ 1,961,177</u>	<u>\$ 10,284,550</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 \$8,323,373 on December 31, 2010. 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 2010 are summarized as follows:

Balance - January 1, 2010	\$ 9,769,901
Loan proceeds	164,095
Principal reductions	<u>(1,610,623)</u>
Balance - December 31, 2010	<u>\$ 8,323,373</u>

E. Refunding of outstanding bonds

On May 12, 2010, the city issued \$4,290,000 in general obligation bonds with an average interest rate of 2.016% to currently refund \$520,000 of outstanding series 2001B bonds and advance refund \$3,650,000 of outstanding series 2001C bonds. The net proceeds of \$3,791,228 (after payment of fees and issuance costs of \$20,562, and the current refunding of \$520,000) which includes city debt service sinking fund money of \$41,790, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 bonds. As a result, the 2001 series 2001C bonds are considered to be defeased and the liability for these bonds has been removed from the government-wide statement of net assets. The advance refunding reduces its total debt service over the life of the bonds by \$154,138 and results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$139,233.

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 2010 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. On December 31, 2010, \$10,900,000 of bonds outstanding are considered defeased.

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, 2010:

Equalized Value - 2010	<u>\$ 886,929,000</u>
Margin of Indebtedness:	
5% of Equalized Value	44,346,450
Outstanding General Obligation Debt - December 31, 2010	<u>24,048,862</u>
Margin of Indebtedness	<u>\$ 20,297,588</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, 2010 totaled \$3,025,000 and \$4,147,500 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, 2010 follows:

CONDENSED STATEMENT OF NET ASSETS

	Water Utility	Sewer Utility	Airport	Total
Assets:				
Current assets	\$ 691,030	\$ 744,955	\$ 269,945	\$ 1,705,930
Restricted cash and investments	67	523,577	--	523,644
Other noncurrent assets	152,062	407,493	--	559,555
Capital assets	16,198,713	23,468,523	1,498,791	41,166,027
Total assets	17,041,872	25,144,548	1,768,736	43,955,156
Liabilities:				
Current liabilities	985,620	455,488	6,047	1,447,155
Current liabilities payable from restricted assets	149,672	1,477,264	--	1,626,936
Noncurrent liabilities	2,706,508	7,597,496	--	10,304,004
Total liabilities	3,841,800	9,530,248	6,047	13,378,095
Net assets:				
Invested in capital assets, net of related debt	13,403,713	14,254,912	1,498,791	29,157,416
Restricted	67	523,577	--	523,644
Unrestricted	(203,708)	835,811	263,898	896,001
Total net assets	13,200,072	15,614,300	1,762,689	30,577,061

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

	Water Utility	Sewer Utility	Airport	Total
Operating revenues	\$ 1,779,179	\$ 3,375,415	\$ 528,212	\$ 5,682,806
Depreciation expense	426,086	1,286,575	94,853	1,807,514
Other operating expenses	931,927	1,706,056	529,456	3,167,439
Operating income (loss)	421,166	382,784	(96,097)	707,853
Nonoperating revenues (expenses):				
Investment income	6,408	9,511	241	16,160
Interest expense	(117,379)	(276,040)	--	(393,419)
Amortization expense	(4,756)	(30,840)	--	(35,596)
Capital contributions	51,580	40,614	--	92,194
Transfers out	(353,638)	(6,253)	--	(359,891)
Beginning net assets	13,196,691	15,494,524	1,858,545	30,549,760
Ending net assets	13,200,072	15,614,300	1,762,689	30,577,061

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	\$ 1,143,365	\$ 1,763,308	\$ 7,805	\$ 2,914,478
Noncapital financing activities	(353,638)	(6,253)	--	(359,891)
Capital and related financing activities	(790,949)	(2,207,591)	--	(2,998,540)
Investing activities	1,022	1,642	241	2,905
Net increase (decrease)	(200)	(448,894)	8,046	(441,048)
Beginning cash and cash equivalents	267	972,471	216,436	1,189,174
Ending cash and cash equivalents	67	523,577	224,482	748,126

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 \$636,332 at December 31, 2010 and is reported as the internal service fund balance. The accounts payable of \$48,138 reported in the fund at December 31, 2010 is based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's reported liability amount for the years ended December 31, 2010 and 2009 was as follows:

Year	Beginning Of Year Liability	Incurred Claims	Claim Payments	End of Year Liability
2010	\$ 134,083	\$ 860,594	\$ 946,539	\$ 48,138
2009	147,854	978,925	992,696	134,083

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 assets.

Management has determined that no material amounts of accumulated vacation time at year end will be liquidated with expendable available resources. The amount of accumulated vacation time at December 31, 2010 that has been recorded in the governmental activities of the statement of net assets is \$128,641.

Employees may accumulate a maximum of 150 days of sick leave. It is the city's policy to pay for unused sick leave upon retirement or death at a rate of \$25 per day or apply it to future retiree health insurance premiums at a rate of \$50 per day. Accumulated sick days of employees totaled approximately 4,606 at December 31, 2010. 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, 2010, estimated sick leave termination benefits of \$230,277 have been recorded in the governmental activities of the statement of net assets.

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 \$75,448 of accumulated vacation and sick pay has been recorded as a liability in the proprietary funds.

C. Employees' Pensions

All eligible city employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by state statute to contribute 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security and 3.9% for Protective Occupations without Social Security) to the plan. The city makes these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for city employees covered by the WRS for the year ended December 31, 2010 was \$4,123,835 the employer's total payroll was \$4,363,836. The total required contribution for the year ended December 31, 2010 was \$504,649, which consisted of \$263,652, or 6.4% of payroll from the employer and \$240,997, or 5.8% of payroll from employees. Total contributions for the years ended December 31, 2009 and 2008 were \$465,545 and \$461,902, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive retirement benefits. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are : (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the

Note 5 - Other Information - Continued

C. Employees' Pensions - Continued

average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

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 2005, the city adopted a resolution amending tax incremental financing district no. 4 to allow for the sharing of revenues with tax incremental financing district no. 3 for a five year period as provided for in section 66.1105 (6) of the Wisconsin statutes. The revenues are allowed to be shared through 2010. Positive tax increments in excess of district No. 4's (the donor) project costs are allocated to district No. 3 (the recipient).

Summary information on the combined districts follows:

Date of creation:

District No. 3 9/29/1992

District No. 4 9/28/1995

End of statutory construction period:

District No. 3 9/29/2014

District No. 4 9/28/2017

Maximum statutory life of district:

District No. 3 9/29/2019

District No. 4 9/29/2022

Note 5 - Other Information - Continued

D. Tax Incremental Financing Districts - Continued

	Combined District Nos. 3 & 4	
	2010	From Dates Of Creation
Accumulated project expenditures (including interest costs)	\$ 2,604,465	\$ 56,733,358
Less: tax increments received	4,167,189	32,915,461
Less: intergovernmental revenues	21,363	672,870
Less: special assessments/property sales	14,040	1,696,332
Less: rental income	- - -	10,144
Less: interest earned	92,736	2,346,210
Less: city contribution for Wehmhoff Park	- - -	60,000
Less: all other	- - -	25,212
Total project revenues	<u>4,295,328</u>	<u>37,726,229</u>
Net Costs to be Recovered	<u>\$ (1,690,863)</u>	<u>\$ 19,007,129</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.

The city created an environmental remediation tax incremental financing district in 2009 pursuant to the Wisconsin Statutes. Expenditures of the district since its inception totaled \$4,467,974. Total revenues of the district are \$337,035, resulting in net costs to be recovered of \$4,130,939.

E. Litigation and Contingencies

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

F. Subsequent Event

On February 22, 2011, the city issued procured a state trust fund loan of \$815,000. The proceeds of the loan were used to partially finance the loan provided to a property developer made in 2010 through the tax incremental financing district no. 3 capital projects fund.

Note 5 - Other Information - Continued

G. Housing Authority Component Unit

The Housing Authority of the City of Burlington is a component unit of the city. The fiscal year end of the housing authority is August 31, 2010. 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, 2010, the housing authority's deposits totaled \$108,924. The carrying value of those deposits on the housing authority's financial statements was \$99,454.

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, 2010 consisted of the following:

Reserve account	\$ 49,983
Security deposits	<u>40,765</u>
Totals	<u>\$ 90,748</u>

4. Long-term debt

Long-term debt of the housing authority at August 31, 2010 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%. \$ 538,134

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%. 393,083

Totals 931,217

Less: Current maturities (44,916)

Net Long-Term Debt \$ 886,301

Note 5 - Other Information - Continued

G. Housing Authority - Continued

4. Long-term debt - continued

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2011	\$ 44,916	\$ 9,180	\$ 54,096
2012	45,437	8,659	54,096
2013	45,893	8,203	54,096
2014	46,354	7,742	54,096
2015	46,819	7,277	54,096
2016 - 2020	241,249	29,231	270,480
2021 - 2025	253,612	16,868	270,480
2026 - 2030	149,073	5,890	154,963
2031 - 2034	57,864	965	58,829
	<u>\$ 931,217</u>	<u>\$ 94,015</u>	<u>\$ 1,052,232</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, 2010

	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	\$ 12,482	\$ 473,781	\$ 523,832	\$ 145,656	\$ 99,736	\$ 7,825	\$ 48,121	\$ 54,670
Taxes receivable	432,536	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Notes receivable	-	376,292	87,468	-	-	-	-	-
Total Assets	445,018	850,073	611,300	145,656	99,736	7,825	48,121	54,670
<u>LIABILITIES</u>								
Accounts payable	9,741	-	-	4,777	-	-	-	-
Deferred revenue	432,536	376,292	87,468	-	-	-	-	-
Deferred special assessments	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Total Liabilities	442,277	376,292	87,468	4,777	-	-	-	-
<u>FUND BALANCES</u>								
Unreserved:								
Designated	2,741	473,781	523,832	140,879	99,736	7,825	48,121	54,670
Total Fund Balances	2,741	473,781	523,832	140,879	99,736	7,825	48,121	54,670
Total Liabilities and Fund Balances	\$ 445,018	\$ 850,073	\$ 611,300	\$ 145,656	\$ 99,736	\$ 7,825	\$ 48,121	\$ 54,670

Capital Projects Funds

General Debt Service Fund	TIF No. 3 Capital Projects	Environmental TIF District	TIF No. 4	General Infrastructure	Downtown Redevelo- ment	Revolving Capital Projects	Stormwater Management	Facade Grants	Total Nonmajor Funds
\$ -	\$ -	\$ -	\$ -	\$ (31,183)	\$ (39,652)	\$ 1,629,326	\$ 13,280	\$ 10,726	\$ 2,948,600
418,213	-	-	704,934	-	-	-	-	-	1,555,683
-	-	-	66,642	-	-	-	-	-	66,642
-	1,160,000	-	-	-	-	-	-	-	1,623,760
<u>418,213</u>	<u>1,160,000</u>	<u>-</u>	<u>771,576</u>	<u>(31,183)</u>	<u>(39,652)</u>	<u>1,629,326</u>	<u>13,280</u>	<u>10,726</u>	<u>6,194,685</u>
-	-	1,325,098	-	391,122	13,006	10,825	-	-	1,754,569
418,213	1,160,000	-	704,934	-	-	-	-	-	3,179,443
-	-	-	66,642	-	-	-	-	-	66,642
80,628	-	960,841	-	-	-	-	-	-	1,041,469
<u>498,841</u>	<u>1,160,000</u>	<u>2,285,939</u>	<u>771,576</u>	<u>391,122</u>	<u>13,006</u>	<u>10,825</u>	<u>-</u>	<u>-</u>	<u>6,042,123</u>
(80,628)	-	(2,285,939)	-	(422,305)	(52,658)	1,618,501	13,280	10,726	152,562
<u>(80,628)</u>	<u>-</u>	<u>(2,285,939)</u>	<u>-</u>	<u>(422,305)</u>	<u>(52,658)</u>	<u>1,618,501</u>	<u>13,280</u>	<u>10,726</u>	<u>152,562</u>
<u>\$ 418,213</u>	<u>\$ 1,160,000</u>	<u>\$ -</u>	<u>\$ 771,576</u>	<u>\$ (31,183)</u>	<u>\$ (39,652)</u>	<u>\$ 1,629,326</u>	<u>\$ 13,280</u>	<u>\$ 10,726</u>	<u>\$ 6,194,685</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, 2010

	Special Revenue Funds							
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police DARE	Derozier	
REVENUES								
Taxes	\$ 392,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	330,440	-	-	-	-	-	-	-
Charges for services	29,979	-	-	29,000	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Investment income	597	8,153	3,523	103	1,422	2	776	115
Loan reimbursements	-	496,768	6,480	-	-	-	-	-
All other	2,631	-	-	1,040	12,796	7,050	-	-
Total Revenues	756,439	504,921	10,003	30,143	14,218	7,052	776	115
EXPENDITURES								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	2,667	-	-
Culture, recreation & education	751,976	-	-	32,727	27,969	-	-	-
Conservation and development	-	453,787	-	-	-	-	-	-
Capital outlay	-	-	-	84,822	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	751,976	453,787	-	117,549	27,969	2,667	-	-
Excess (deficiency) of revenues over (under) expenditures	4,463	51,134	10,003	(87,406)	(13,751)	4,385	776	115
OTHER FINANCING SOURCES								
(USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(4,683)	-	-	-	-	-	-	-
Face value of bonds issued	-	-	-	-	-	-	-	-
Face value of refunding bonds issued	-	-	-	-	-	-	-	-
Discount paid on bonds issued	-	-	-	-	-	-	-	-
Payment to escrow agent for refunded debt	-	-	-	-	-	-	-	-
Principal paid on refunded debt	-	-	-	-	-	-	-	-
Property sales	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(4,683)	-	-	-	-	-	-	-
Net change in fund balances	(220)	51,134	10,003	(87,406)	(13,751)	4,385	776	115
Fund balances - beginning	2,961	422,647	513,829	228,285	113,487	3,440	47,345	54,555
Fund balances - ending	\$ 2,741	\$ 473,781	\$ 523,832	\$ 140,879	\$ 99,736	\$ 7,825	\$ 48,121	\$ 54,670

Capital Projects Funds

General Debt Service Fund	TIF No. 3 Capital Projects	Environmental TIF District	TIF No. 4	General Infrastructure	Downtown Redevelop- ment	Revolving Capital Projects	Stormwater Management	Facade Grants	Total Nonmajor Funds
\$ 196,717	\$ -	\$ -	\$ 731,758	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 1,821,267
-	-	330,000	1,762	-	-	-	-	-	662,202
-	-	-	-	-	-	-	-	-	58,979
-	-	-	14,040	-	-	-	-	-	14,040
286	-	7,035	10,093	2,180	271	876	6	54	35,492
-	-	-	-	-	-	-	-	-	503,248
-	-	-	-	-	-	-	-	-	23,517
<u>197,003</u>	<u>-</u>	<u>337,035</u>	<u>757,653</u>	<u>2,180</u>	<u>271</u>	<u>500,876</u>	<u>6</u>	<u>54</u>	<u>3,118,745</u>
-	-	17,000	19,098	-	-	-	-	-	36,098
-	-	-	-	-	-	-	-	-	2,667
-	-	-	-	-	-	-	-	-	812,672
-	1,165,733	-	75,000	-	-	-	-	6,876	1,701,396
-	-	2,864,608	-	2,581,392	278,089	257,530	-	-	6,066,441
12,240	37,005	9,242	-	11,147	-	-	-	-	69,634
431,780	-	-	-	-	-	-	-	-	431,780
166,950	-	26,010	-	-	-	-	-	-	192,960
<u>610,970</u>	<u>1,202,738</u>	<u>2,916,860</u>	<u>94,098</u>	<u>2,592,539</u>	<u>278,089</u>	<u>257,530</u>	<u>-</u>	<u>6,876</u>	<u>9,313,648</u>
<u>(413,967)</u>	<u>(1,202,738)</u>	<u>(2,579,825)</u>	<u>663,555</u>	<u>(2,590,359)</u>	<u>(277,818)</u>	<u>243,346</u>	<u>6</u>	<u>(6,822)</u>	<u>(6,194,903)</u>
406,429	1,127,554	-	-	-	-	-	-	-	1,533,983
-	-	-	(663,555)	-	-	-	-	-	(668,238)
-	1,055,000	1,845,000	-	1,725,000	-	-	-	-	4,625,000
855,231	-	-	-	-	-	-	-	-	855,231
-	(14,283)	(24,978)	-	(23,353)	-	-	-	-	(62,614)
(755,799)	-	-	-	-	-	-	-	-	(755,799)
(103,664)	-	-	-	-	-	-	-	-	(103,664)
-	-	-	-	-	-	42,341	-	-	42,341
<u>402,197</u>	<u>2,168,271</u>	<u>1,820,022</u>	<u>(663,555)</u>	<u>1,701,647</u>	<u>-</u>	<u>42,341</u>	<u>-</u>	<u>-</u>	<u>5,466,240</u>
(11,770)	965,533	(759,803)	-	(888,712)	(277,818)	285,687	6	(6,822)	(728,663)
<u>(68,858)</u>	<u>(965,533)</u>	<u>(1,526,136)</u>	<u>-</u>	<u>466,407</u>	<u>225,160</u>	<u>1,332,814</u>	<u>13,274</u>	<u>17,548</u>	<u>881,225</u>
<u>\$ (80,628)</u>	<u>\$ -</u>	<u>\$ (2,285,939)</u>	<u>\$ -</u>	<u>\$ (422,305)</u>	<u>\$ (52,658)</u>	<u>\$ 1,618,501</u>	<u>\$ 13,280</u>	<u>\$ 10,726</u>	<u>\$ 152,562</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Taxes</u>				
General property taxes	\$ 4,292,416	\$ 4,292,416	\$ 4,067,179	\$ (225,237)
Payments in lieu of taxes	25,528	25,528	38,978	13,450
Occupational tax	881	881	4,214	3,333
Room tax	53,000	53,000	19,929	(33,071)
Interest on personal property taxes	-	-	329	329
Total Taxes	4,371,825	4,371,825	4,130,629	(241,196)
<u>Intergovernmental</u>				
Shared taxes from state	729,313	729,313	727,468	(1,845)
Exempt computer aid	19,000	19,000	18,832	(168)
Fire insurance from state	27,750	27,750	29,158	1,408
Municipal services	2,709	2,709	2,304	(405)
General transportation aid	497,640	497,640	497,640	-
Connecting streets	75,697	75,697	75,553	(144)
Recycling grants	39,150	39,150	46,775	7,625
Crime prevention	2,575	2,575	-	(2,575)
State aid for police training	3,040	3,040	3,463	423
DNR aid in lieu of tax	-	-	664	664
Total Intergovernmental	1,396,874	1,396,874	1,401,857	4,983
<u>Licenses and Permits</u>				
Business and occupational licenses	29,500	29,500	29,721	221
Weights and measures	6,400	6,400	7,165	765
Wisconsin cable TV licenses	110,544	110,544	118,070	7,526
Parking permits	1,500	1,500	765	(735)
Cell tower permit	45,860	45,860	45,836	(24)
Building and electrical permits	82,500	82,500	106,499	23,999
Right of way and zoning permits	7,500	7,500	9,504	2,004
Total Licenses and Permits	283,804	283,804	317,560	33,756
<u>Fines and Forfeitures</u>				
Court penalty costs	160,000	160,000	122,628	(37,372)
Parking violations	60,000	60,000	61,037	1,037
Total Fines and Forfeitures	\$ 220,000	\$ 220,000	\$ 183,665	\$ (36,335)

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Charges for Services</u>				
Clerk's revenue	\$ 10,000	\$ 10,000	\$ 6,210	\$ (3,790)
Police department	3,000	3,000	8,562	5,562
Fire department	10,300	10,300	17,782	7,482
Street department	3,200	3,200	3,052	(148)
Park revenue	5,000	5,000	11,825	6,825
	<u>31,500</u>	<u>31,500</u>	<u>47,431</u>	<u>15,931</u>
<u>Special Assessments</u>				
Sidewalks	15,000	15,000	10,552	(4,448)
<u>Interest</u>				
Investment earnings	15,000	15,000	14,043	(957)
Interest on special assessments	-	-	155	155
	<u>15,000</u>	<u>15,000</u>	<u>14,198</u>	<u>(802)</u>
TIF Reimbursement for Deferred Advance	<u>430,000</u>	<u>430,000</u>	<u>430,000</u>	<u>-</u>
<u>Other</u>				
Lease revenue - Chocolate Fest	12,704	12,704	12,704	-
Lease of other city property	-	-	1,200	1,200
Insurance recoveries	-	-	13,686	13,686
Miscellaneous	7,000	7,000	6,363	(637)
	<u>19,704</u>	<u>19,704</u>	<u>33,953</u>	<u>14,249</u>
Total Revenues	<u>\$ 6,783,707</u>	<u>\$ 6,783,707</u>	<u>\$ 6,569,845</u>	<u>\$ (213,862)</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>General Government</u>				
Mayor and city council	\$ 40,472	\$ 36,894	\$ 51,261	\$ (14,367)
Municipal court	75,106	72,028	66,607	5,421
Administration	308,604	303,442	288,152	15,290
Finance - treasurer	167,519	182,854	174,227	8,627
City clerk	46,444	43,066	42,605	461
Elections	23,181	23,181	17,435	5,746
Assessor and board of review	42,966	42,966	41,779	1,187
City attorney	117,400	117,400	95,536	21,864
	<u>821,692</u>	<u>821,831</u>	<u>777,602</u>	<u>44,229</u>
<u>Public Safety</u>				
Police department	3,016,149	3,023,172	2,878,221	144,951
Fire department	566,662	570,351	551,691	18,660
Building inspector	155,000	155,000	152,239	2,761
	<u>3,737,811</u>	<u>3,748,523</u>	<u>3,582,151</u>	<u>166,372</u>
<u>Public Works</u>				
Street administration and maintenance	1,397,608	1,422,370	994,955	427,415
Street lighting	265,000	265,000	269,726	(4,726)
Sidewalks, curb and gutters	30,000	30,000	15,844	14,156
Storm sewers	6,000	6,000	-	6,000
Garbage collection	309,118	328,118	333,652	(5,534)
Recycling	94,004	94,004	139,790	(45,786)
Landfill	38,500	38,500	41,025	(2,525)
Monitoring wells	3,000	3,000	-	3,000
	<u>2,143,230</u>	<u>2,186,992</u>	<u>1,794,992</u>	<u>392,000</u>
<u>Health and Human Services</u>				
Health officer	86,943	86,943	82,771	4,172
Animal shelter	11,688	11,688	12,049	(361)
	<u>\$ 98,631</u>	<u>\$ 98,631</u>	<u>\$ 94,820</u>	<u>\$ 3,811</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Culture, Recreation and Education</u>				
Historical society	\$ 1,100	\$ 1,100	\$ 1,000	\$ 100
Senior citizens	2,250	2,250	2,434	(184)
Parks	497,129	496,089	523,622	(27,533)
	<u>500,479</u>	<u>499,439</u>	<u>527,056</u>	<u>(27,617)</u>
<u>Conservation and Development</u>				
Economic development	57,100	23,100	63,974	(40,874)
Planning commission	41,000	-	33,887	(33,887)
Town annexation revenue sharing	47,642	47,642	48,025	(383)
	<u>145,742</u>	<u>70,742</u>	<u>145,886</u>	<u>(75,144)</u>
Total Expenditures	<u><u>\$ 7,447,585</u></u>	<u><u>\$ 7,426,158</u></u>	<u><u>\$ 6,922,507</u></u>	<u><u>\$ 503,651</u></u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2010

The following is a summary of the bond and notes payable of the city as of December 31, 2010.

<u>General Obligation Debt</u>	<u>Outstanding Principal 12/31/2010</u>
2001 refunding bonds (TIF No. 3 purposes)	\$ 8,390,000
2001 community development bonds (TIF No. 3 and TIF No. 4)	550,000
2004 state trust fund loan (retirement obligation loan)	561,668
2004 refunding bonds (sewer utility purposes)	2,015,000
2007 refunding bonds	1,500,000
2009 state trust fund loan	342,194
2010 refunding bonds	4,290,000
2010 Build America Bonds	6,400,000
	<u>\$ 24,048,862</u>

2001 General Obligation Refunding Bonds

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2011	\$ -	\$ 192,785	\$ 192,785
October 1, 2011	600,000	192,785	792,785
April 1, 2012	-	180,035	180,035
October 1, 2012	650,000	180,035	830,035
April 1, 2013	-	165,410	165,410
October 1, 2013	700,000	165,410	865,410
April 1, 2014	-	149,660	149,660
October 1, 2014	750,000	149,660	899,660
April 1, 2015	-	132,785	132,785
October 1, 2015	800,000	132,785	932,785
April 1, 2016	-	114,785	114,785
October 1, 2016	850,000	114,785	964,785
April 1, 2017	-	95,447	95,447
October 1, 2017	900,000	95,448	995,448
April 1, 2018	-	74,635	74,635
October 1, 2018	950,000	74,635	1,024,635
April 1, 2019	-	52,310	52,310
October 1, 2019	1,000,000	52,310	1,052,310
April 1, 2020	-	28,560	28,560
October 1, 2020	1,190,000	28,560	1,218,560
	<u>\$ 8,390,000</u>	<u>\$ 2,372,825</u>	<u>\$ 10,762,825</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2010

2001 General Obligation Community Development Bonds

The proceeds of this issue were allocated to TIF no. 3 (\$5,700,000) and TIF no. 4 (\$800,000) to finance continuing project costs of each district. Interest was charged at rates of 3.00% to 4.45%. The outstanding bonds except for the installment due May 1, 2011 were defeased with the 2010 refunding bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2011	<u>\$ 550,000</u>	<u>\$ 11,000</u>	<u>\$ 561,000</u>

2004 State Trust Fund Loan

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 15, 2011	\$ 33,040.00	\$ 29,488.00	\$ 62,528.00
March 15, 2012	34,699	27,829	62,528
March 15, 2013	36,596	25,931	62,527
March 15, 2014	38,518	24,010	62,528
March 15, 2015	40,540	21,988	62,528
March 15, 2016	42,614	19,914	62,528
March 15, 2017	44,906	17,622	62,528
March 15, 2018	47,263	15,265	62,528
March 15, 2019	49,744	12,783	62,527
March 15, 2020	52,328	10,200	62,528
March 15, 2021	55,103	7,424	62,527
March 15, 2022	57,996	4,532	62,528
March 15, 2023	28,322	1,487	29,809
	<u>\$ 561,669</u>	<u>218,473</u>	<u>\$ 780,142</u>

2004 Sewer General Obligation Refunding Bonds

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2011	\$ -	\$ 32,950.00	\$ 32,950.00
November 1, 2011	245,000	32,950	277,950
May 1, 2012	-	29,397	29,397
November 1, 2012	570,000	29,398	599,398
May 1, 2013	-	20,420	20,420
November 1, 2013	580,000	20,420	600,420
May 1, 2014	-	10,850	10,850
November 1, 2014	620,000	10,850	630,850
	<u>\$ 2,015,000</u>	<u>\$ 187,235</u>	<u>\$ 2,202,235</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2011	\$ -	\$ 31,988	\$ 31,988
October 1, 2011	-	31,988	31,988
April 1, 2012	-	31,988	31,988
October 1, 2012	-	31,988	31,988
April 1, 2013	-	31,988	31,988
October 1, 2013	-	31,988	31,988
April 1, 2014	-	31,988	31,988
October 1, 2014	-	31,988	31,988
April 1, 2015	-	31,988	31,988
October 1, 2015	-	31,988	31,988
April 1, 2016	-	31,988	31,988
October 1, 2016	-	31,988	31,988
April 1, 2017	100,000	31,988	131,988
October 1, 2017	-	29,800	29,800
April 1, 2018	110,000	29,800	139,800
October 1, 2018	-	27,545	27,545
April 1, 2019	120,000	27,545	147,545
October 1, 2019	-	25,055	25,055
April 1, 2020	130,000	25,055	155,055
October 1, 2020	-	22,325	22,325
April 1, 2021	140,000	22,325	162,325
October 1, 2021	-	19,350	19,350
April 1, 2022	150,000	19,350	169,350
October 1, 2022	-	16,162	16,162
April 1, 2023	150,000	16,162	166,162
October 1, 2023	-	12,975	12,975
April 1, 2024	150,000	12,975	162,975
October 1, 2024	-	9,750	9,750
April 1, 2025	150,000	9,750	159,750
October 1, 2025	-	6,525	6,525
April 1, 2026	150,000	6,525	156,525
October 1, 2026	-	3,262	3,262
April 1, 2027	150,000	3,262	153,262
	<u>\$ 1,500,000</u>	<u>\$ 761,342</u>	<u>\$ 2,261,342</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2010

2009 State Trust Fund

The proceeds from this issue were used to finance the purchase of capital equipment and vehicles. Interest is charged at a rate of 3.5%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 15, 2011	\$ 76,840	\$ 17,883	\$ 94,723
March 15, 2012	85,410	9,313	94,723
March 15, 2013	88,425	6,298	94,723
March 15, 2014	91,519	3,204	94,723
	<u>\$ 342,194</u>	<u>\$ 36,698</u>	<u>\$ 378,892</u>

2010 Refunding Bonds

The proceeds from this issue were used to advance refund all but one maturity of the 2001 \$6,500,000 refunding bonds and the balance of the 2001 \$2,845,000 refunding bonds. Interest is charged at rates of 2.0% to 2.375%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2011	\$ 575,000	\$ 44,175	\$ 619,175
November 1, 2011	-	38,425	38,425
May 1, 2012	745,000	38,425	783,425
November 1, 2012	-	30,975	30,975
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>\$ 4,290,000</u>	<u>\$ 273,525</u>	<u>\$ 4,563,525</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2011	\$ -	\$ 96,098	\$ 96,098
November 1, 2011	-	96,098	96,098
May 1, 2012	100,000	96,098	196,098
November 1, 2012	-	95,643	95,643
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>\$ 6,400,000</u>	<u>\$ 2,479,949</u>	<u>\$ 8,879,949</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Other Long-Term Obligations</u>	<u>Outstanding Principal 12/31/2010</u>
2005 community development lease revenue refunding bonds	<u>\$ 11,100,000</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%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2011	\$ 1,000,000	\$ 214,362	\$ 1,214,362
October 1, 2011	-	197,863	197,863
April 1, 2012	1,050,000	197,862	1,247,862
October 1, 2012	-	179,750	179,750
April 1, 2013	1,050,000	179,750	1,229,750
October 1, 2013	-	161,375	161,375
April 1, 2014	1,100,000	161,375	1,261,375
October 1, 2014	-	141,575	141,575
April 1, 2015	1,100,000	141,575	1,241,575
October 1, 2015	-	120,950	120,950
April 1, 2016	1,150,000	120,950	1,270,950
October 1, 2016	-	97,950	97,950
April 1, 2017	1,150,000	97,950	1,247,950
October 1, 2017	-	74,375	74,375
April 1, 2018	1,150,000	74,375	1,224,375
October 1, 2018	-	49,938	49,938
April 1, 2019	1,175,000	49,937	1,224,937
October 1, 2019	-	24,969	24,969
April 1, 2020	1,175,000	24,969	1,199,969
	<u>11,100,000</u>	<u>2,311,850</u>	<u>13,411,850</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Utility Revenue Debt</u>	Outstanding Principal 12/31/2010
1991 revenue bonds - Clean Water Fund	\$ 1,230,729
2002 revenue bonds	2,095,000
2008 revenue bonds - Clean Water Fund (No. 5096-02)	4,150,043
2008 revenue bonds - Clean Water Fund (No. 5096-04)	847,602
	\$ 8,323,374

1991 Clean Water Fund Loan

The proceeds from this issue were used for construction of the city's wastewater treatment plant. Interest is charged at the rate of 3.60%.

	Principal	Interest	Total
May 1, 2011	\$ 1,230,729	\$ 22,153	\$ 1,252,882

2002 Water Revenue Bonds

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

	Principal	Interest	Total
April 1, 2011	\$ -	\$ 49,343	\$ 49,343
October 1, 2011	125,000	49,343	174,343
April 1, 2012	-	46,687	46,687
October 1, 2012	135,000	46,687	181,687
April 1, 2013	-	43,818	43,818
October 1, 2013	145,000	43,818	188,818
April 1, 2014	-	40,701	40,701
October 1, 2014	150,000	40,701	190,701
April 1, 2015	-	37,401	37,401
October 1, 2015	160,000	37,401	197,401
April 1, 2016	-	33,801	33,801
October 1, 2016	165,000	33,801	198,801
April 1, 2017	-	30,047	30,047
October 1, 2017	175,000	30,047	205,047
April 1, 2018	-	26,000	26,000
October 1, 2018	185,000	26,000	211,000
April 1, 2019	-	21,375	21,375
October 1, 2019	195,000	21,375	216,375
April 1, 2020	-	16,500	16,500
October 1, 2020	210,000	16,500	226,500
April 1, 2021	-	11,250	11,250
October 1, 2021	220,000	11,250	231,250
April 1, 2022	-	5,750	5,750
October 1, 2022	230,000	5,750	235,750
	\$ 2,095,000	\$ 725,346	\$ 2,820,346

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2011	184,242	53,307	237,549
November 1, 2011	-	50,941	50,941
May 1, 2012	188,975	50,941	239,916
November 1, 2012	-	48,513	48,513
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>\$ 4,150,043</u>	<u>\$ 1,032,071</u>	<u>\$ 5,182,114</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2011	\$ 41,085	\$ 10,023	\$ 51,108
November 1, 2011	-	9,537	9,537
May 1, 2012	42,057	9,537	51,594
November 1, 2012	-	9,040	9,040
May 1, 2013	43,052	9,040	52,092
November 1, 2013	-	8,531	8,531
May 1, 2014	44,070	8,531	52,601
November 1, 2014	-	8,010	8,010
May 1, 2015	45,112	8,010	53,122
November 1, 2015	-	7,476	7,476
May 1, 2016	46,179	7,476	53,655
November 1, 2016	-	6,930	6,930
May 1, 2017	47,271	6,930	54,201
November 1, 2017	-	6,371	6,371
May 1, 2018	48,389	6,371	54,760
November 1, 2018	-	5,799	5,799
May 1, 2019	49,534	5,799	55,333
November 1, 2019	-	5,213	5,213
May 1, 2020	50,705	5,213	55,918
November 1, 2020	-	4,614	4,614
May 1, 2021	51,904	4,614	56,518
November 1, 2021	-	4,000	4,000
May 1, 2022	53,132	4,000	57,132
November 1, 2022	-	3,371	3,371
May 1, 2023	54,388	3,371	57,759
November 1, 2023	-	2,728	2,728
May 1, 2024	55,675	2,728	58,403
November 1, 2024	-	2,070	2,070
May 1, 2025	56,991	2,070	59,061
November 1, 2025	-	1,396	1,396
May 1, 2026	58,339	1,396	59,735
November 1, 2026	-	706	706
May 1, 2027	59,719	706	60,425
	<u>\$ 847,602</u>	<u>\$ 181,607</u>	<u>\$ 1,029,209</u>