

CITY OF NEENAH

Neenah, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2013

Prepared By:

DEPARTMENT OF FINANCE
Michael K. Easker, CPA, Director
Nancy A. Handevitd, Deputy Director

CITY OF NEENAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2013

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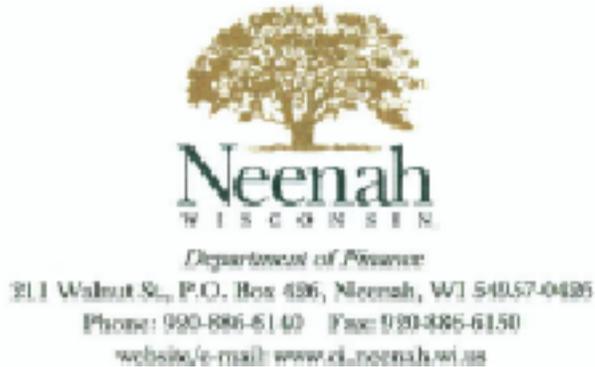
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June 27, 2014

Dear Mayor Kaufert, President Bates, Members of the Common Council:

The City of Neenah (the "City") 2013 Comprehensive Annual Financial Report ("CAFR") was prepared by the Finance Department. Responsibility for accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In accordance with GAAP, this CAFR includes Management's Discussion and Analysis ("MD&A"), which provides a narrative introduction and an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The remainder of this transmittal letter will provide an overview of the City's economic conditions and demographic information, along with accomplishments achieved during fiscal year 2013 and future initiatives of the City.

OVERVIEW OF THE CITY

The City of Neenah is located in northeast Wisconsin in Winnebago County. Directly adjacent to Lake Winnebago and the Fox River, it lies 5 miles south of Appleton, 37 miles south of Green Bay, and approximately 90 miles north of Milwaukee. The City serves a 9.6 square mile area. Its current population is 25,750 based on 2013 estimates.

The French first explored the land area of which the City is comprised in 1634. The settlement became known as "Neenah" in 1844, became "Winnebago Rapids Village" in 1856, and was incorporated as the "City of Neenah" in 1873. The City is situated in the center of what is commonly known as the Fox Valley, so called because of the historical significance of the Fox River as a navigable waterway linking Lake Winnebago with Lake Michigan and the St. Lawrence Seaway. This strategic linkage and water resource was key to the Neenah area developing into a major manufacturing, service and commercial center associated with the national paper industry, from which the City has continued to realize strong economic growth.

The Cities of Neenah, Appleton, Menasha and Oshkosh comprise an area known as the Fox Cities due to their location along the Fox River. This metropolitan area, which has an estimated population of over 385,000 people, is Wisconsin's third largest socio-economic market and one of its fastest growing metropolitan areas. The State of Wisconsin reports continue to pinpoint the Fox Cities as a leader in property valuation growth and high personal income.

The Fox Cities metropolitan area has been recognized by *Forbes* as one of the "Best Small Places for Business and Careers" and by *Area Development* as one of the "Leading Locations for Economic and Job Growth". The Neenah public school system has earned a "Gold Medal" rating in Expansion Management magazine and is rated as one of the nation's top 100 school systems by Money magazine. The system is highly rated in its areas of high graduation rates, college board scores that are consistently higher than state and national averages, low teacher/student ratios, continued commitment to funding public education, and strong economic and educational demographic rankings. Also, as part of its "Best Places to Live" study, *Money* magazine also ranked the metropolitan area as the nation's safest community in regard to personal crime risk.

Neenah's downtown is also home to the world headquarters of Plexus Corporation, Alta Resources and Bemis Company, along with a significant presence from both Kimberly-Clark Corporation and Bergstrom Corporation. The ongoing Downtown Riverwalk Zone Initiative has already generated over \$52 million in new projects. As evidence of the City's business friendly and vibrant downtown, current estimates indicate that over 11,000 people are employed within a one-mile radius of the downtown area.

Economic development efforts in the area focus on the collective strengths of the region. While the Fox Cities rank as one of the 50 largest manufacturing centers in the country, the region has broadened its economic base by placing emphasis on assistance with business expansion, and selectively targeting industry sectors for new business growth.

ECONOMIC CONDITION AND OUTLOOK

Despite a downturn in construction activity nationally, 1,307 building permits were issued in the City last year leading to over \$43 million in new construction.

Notable projects that started construction in 2013 included the \$13 million Bemis/Curwood renovation, the \$4 million Galloway addition, the \$1.3 million Futek Corp building, the \$1.3 million Goodwill store, three major Theda Clark interior renovations and dozens of smaller commercial remodel projects in other areas of the City.

Much of the City's ongoing development success is due to the active, aggressive and prudent use of Tax Incremental Financing Districts. The City currently has four open TIF Districts. Existing districts include TIF Districts #5 and #8, which are located in and adjacent to the City's downtown business and waterfront district. In the last six years, TIF #8 has seen the redevelopment of the City's waterfront as well as the development

of the aforementioned Alta Resources office complex and the redevelopment of the Glatfelter site, including the previously noted Plexus World Headquarters and Affinity Medical Clinic.

The City's other TIF districts include TIF #6, which serves the Southpark Industrial Center, and TIF #7, which was created to support the City's Westside Business Corridor adjacent to US Highway 41.

The following table summarizes the City's TIF district property value status:

<u>TIF #</u>	<u>Creation Date</u>	<u>Max Exp Date</u>	<u>Max Close Date</u>	<u>Amended Base Value</u>	<u>1/1/13 Value</u>	<u>Increment</u>
5	1/1/93	4/21/15	12/31/23	\$13,971,900	\$22,602,500	\$8,630,600
6	1/1/97	3/9/15	12/31/23	2,869,600	18,175,900	15,306,300
7	1/1/00	7/4/22	12/31/26	39,226,900	116,097,900	76,871,000
8	1/1/01	9/4/23	12/31/32	14,743,600	68,605,600	53,862,000
						<u>\$154,669,900</u>

Neenah remains well positioned for growth in 2014. Over 200 residential lots are available for new home construction. Commercial growth opportunities are available in planned business centers and at prime redevelopment sites. Industrial and manufacturing companies are showing renewed interest in expanding their operations, and the City has responded by creating more building sites in the expansion of the Southpark Industrial Center.

COMMUNITY SERVICES

Community residents enjoy access to 25 City parks with 7,500 feet of shoreline. Facilities include an outdoor swim pool complex, boat launches, tennis courts, archery range, ball diamonds, basketball courts, skate/bike park, ice rinks, soccer fields, volleyball courts, playgrounds, trails, fishing decks, sled hills and various other recreational facilities.

The Neenah Riverwalk at Shattuck Park provides residents and visitors to the community a cultural, recreational, and social experience in the heart of the Downtown. Key features include a barrier free riverwalk, a waters-edge pavilion, a walkout pier in the inner harbor, an interactive fountain, a concert lawn and ample sitting areas. Shattuck Park is a preferred venue for events, concerts, festivals and other community gatherings.

To preserve the rich history of Neenah as a paper manufacturing community, Legacy Park was constructed in 2010 on a portion of the former Glatfelter Paper Mill site. The original smokestack from the Glatfelter Mill stands at the center of the park as tribute to the employees and founders of a business that so strongly influenced the early years of Neenah's development. Visitors to the park can continue along the newly constructed extension of the Neenah Riverwalk adjacent to the Plexus Headquarters, the Fox River and Little Lake Butte des Morts. In 2012 construction was completed on Gateway Plaza, a public plaza designed to provide space for civic functions as well as day-to-day

users. This Plaza, located between Plexus Global Headquarters and the Affinity Medical Clinic, had the strong support of private donors. This partnership between the City and those generating private funds allowed the construction of a high-quality public space for the entire community to enjoy.

The City administers a comprehensive recreation program offering activities and services in arts, sports, special events, wellness/fitness, hobby and entertainment. By maintaining partnerships with private non-profit groups, the City helps facilitate many other opportunities including sailing lessons and regattas, major soccer tournaments and one of the largest 3-on-3 basketball tournaments in the State. A full-service YMCA and the Boys & Girls Brigade offer numerous year round programs and camping opportunities.

Neenah Access Trails is a system of on-street routes and off-street trails designed to provide a safe and convenient means of non-motorized travel for both recreation and transportation purposes. The system provides access to the neighborhoods, parks, employment centers, shopping areas and other key destinations, bringing together City residents and neighboring cities in the unifying spirit of community, wellness and enjoyment of the outdoors.

Neenah Public Library's use has increased significantly since the 50,000 square foot building opened in 2000. Neenah Public Library is the 13th highest circulating library in the state, checking out over 962,812 items in 2013 (a record high for the Neenah Public Library). Customer usage continues to increase, with over 850 customers using the library daily and 23,000 registered cardholders. With 89 customers visiting per hour, 73,638 reference questions were answered in 2013 (up 7% as compared to 2012). Extensive library programming is offered for customers of all ages; over 650 programs were held in 2013, with attendance of 27,000. The library also provides quality reference and readers' advisory services. Additional services include homebound delivery, meeting rooms available for use by individuals and groups (including two rooms equipped with hearing loops for the hearing impaired), free legal clinics and free volunteer tax preparation assistance.

The City's private Bergstrom-Mahler Museum houses one of the world's most renowned collections of glass paperweights and glassware, plus other objects de arte. It is the location of many public exhibits of nationally known artists in various mediums. Other cultural venues in the City include Pickard Auditorium, a 1,600-seat performing arts center used for local, regional and national touring productions.

City residents have access to both public and private colleges and universities in the Fox Valley region. Fox Valley Technical College ("FVTC") has two main campuses in Appleton and Oshkosh, plus one of four regional centers and three class locations in Neenah. It is ranked among the nation's top three vocational educational schools. The University of Wisconsin-Oshkosh ("UW-Oshkosh") is one of 13 universities administered by the Wisconsin Board of Regents. UW-Oshkosh has an approximate enrollment of 14,000 graduate and undergraduate students, employs approximately 1,700 people, and is located on a 167-acre campus along the Fox River. UW-Oshkosh was established in 1871. It offers a number of "advance study" classes at the Neenah High

School campus for college bound students. Lawrence University, located in Appleton, was chartered in 1847 with the Methodist Church, but today is a non-sectarian and independent four-year liberal arts college. Appleton's Lawrence University, has an enrollment of approximately 1,500 students, and was recognized in 2003 as one of U.S. News and World Report's top 50 liberal arts colleges in the nation. Marian College, located in Fond du Lac, is another four-year liberal arts college, which also offers classes in the City. The University of Wisconsin-Fox Valley (two-year center), located in Menasha, recently opened its new planetarium.

Neenah is home to Theda Clark Medical Center, a 250-bed acute care hospital that has been ranked among the "100 Top Hospitals" in the United States and as a national "Consumer Choice" hospital. Theda Clark operates ThedaStar Air Medical Helicopter and is the metropolitan area's only American College of Surgeons' Verified Level II Trauma Center. Theda Clark is also home to Children's Hospital of Wisconsin-Fox Valley, a separately licensed pediatric hospital that includes the area's only neo-natal intensive care unit. Theda Clark Medical Center celebrated 100 years of service to northeast Wisconsin in 2009.

FINANCIAL INFORMATION

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state and county financial assistance, the City also is responsible for assuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations. This internal control structure is subject to periodic evaluation by management, its independent auditors and audit staffs of the state and federal governments.

The City maintains strong budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated operating and capital improvements budgets adopted by the Common Council. Annual budgets are adopted for all funds, including the activities of the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, Internal Service Funds and Enterprise Funds. Five-year financial plans are adopted for capital improvement projects. Budgetary control is maintained through expenditure limitation at the defined cost center level (a cost center can be a fund, major program, department or specific activity for which control of expenditures is considered appropriate). Proposed expenditures for which moneys were not previously appropriated, or which result in an overrun of budget control balances, may not take place without additional appropriations made available through Common Council approval.

An explanation of the City's accounting policies is contained in the notes to the financial statements, which are an integral part of this report. The notes explain the basis of accounting for each major fund type, describe the purpose of the funds used, and provide other significant information.

As demonstrated by the statements, schedules and notes included in the **Financial Section** of this report, the City continues to meet its responsibility for sound financial management.

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The City selected the accounting firm of Baker Tilly Virchow Krause, LLP. The auditors report on the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Neenah.

REPORTING ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Neenah for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the thirtieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the 2013 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

CONTINUING DISCLOSURE REQUIREMENTS

In compliance with Securities and Exchange Commission Disclosure Rule 15C2-12, and according to terms of the City's Official Statement for issuance of debt, tables in the **Statistical Section** and **Notes to Basic Financial Statements** incorporate specific financial information for the benefit of existing and potential investors in the City's securities. The City files its CAFR with the Municipal Securities Rulemaking Board (MSRB) and will continue that practice in fulfillment of its obligation under the SEC Rule. Timely notice of material events enumerated in the Rule will be provided to appropriate authorities as prescribed.

ACKNOWLEDGMENTS

The preparation of this Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service and commitment of each member of the Finance Department staff. They have my sincere appreciation for their individual contribution in preparation of the report.

I also want to recognize the Baker Tilly Virchow Krause, LLP audit management team for their dedication and expertise, which contributed significantly to the report quality and adherence to professional accounting standards.

In closing, I would like to thank the Common Council and Mayor for their leadership and support in the planning and conducting of the financial operations of the City in a responsible and progressive manner. Without that support, preparation of this report would not have been possible.

Michael K. Easker, CPA
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Neenah
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

**CITY OF NEENAH
DIRECTORY OF OFFICIALS
2013 – 2014**

MAYOR

George Scherck

PRESIDENT OF THE COUNCIL

Todd Stevenson

COUNCIL MEMBERS

Aldermanic District 1:	Cari Lendrum
Aldermanic District 1:	William Pollnow, Jr.
Aldermanic District 1:	Shiloh Ramos
Aldermanic District 2:	John Ahles
Aldermanic District 2:	Margaret Bates
Aldermanic District 2:	Christopher Kunz
Aldermanic District 3:	Tim Hamblin
Aldermanic District 3:	Lee Hillstrom
Aldermanic District 3:	Todd Stevenson

OFFICERS

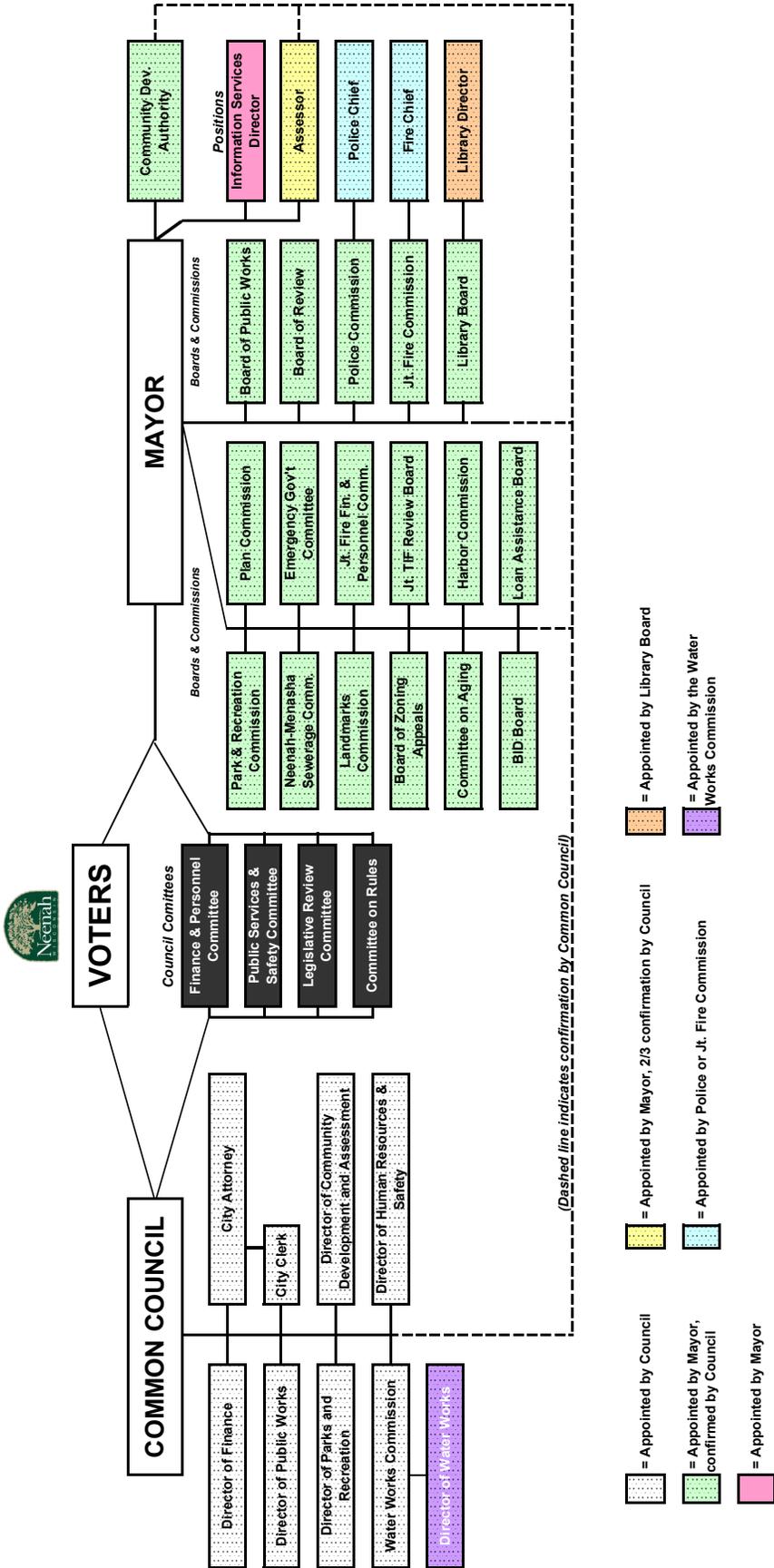
Director of Finance	Michael K. Easker
City Attorney	James G. Godlewski
City Clerk	Patricia A. Sturn
Director of Human Resources and Safety	Heather C. Barber
Police Chief	Kevin Wilkinson
Fire Chief	Al Auxier
Director of Public Works and Utilities	Gerry Kaiser
Director of Community Development and Assessment	Chris A. Haese
Director of Library	Gretchen Raab
Director of Parks and Recreation	M. Eileen McCoy
Director of Information Systems	Joseph Wenninger
Director of Water Utility	Kent Taylor

STANDING FINANCE AND PERSONNEL COMMITTEE

Aldersperson John Ahles (Chairman)
Aldersperson Marge Bates (Vice Chairman)
Aldersperson William Pollnow, Jr.
Aldersperson Shiloh Ramos
Aldersperson Todd Stevenson

STANDING PUBLIC SERVICES AND SAFETY COMMITTEE

Aldersperson Lee Hillstrom (Chairman)
Aldersperson Tim Hamblin (Vice Chairman)
Aldersperson Christopher Kunz
Aldersperson Cari Lendrum
Aldersperson Todd Stevenson



INDEPENDENT AUDITORS' REPORT

To the Mayor and Common Council
City of Neenah
Neenah, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Neenah, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Neenah's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Mayor and Common Council
City of Neenah

Opinions

In our 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 units, each major fund, and the aggregate remaining fund information of the City of Neenah, Wisconsin, as of December 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Neenah adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and other postemployment benefits plan information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Neenah's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Mayor and Common Council
City of Neenah

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Neenah's basic financial statements. The "Letter of Transmittal" and "Statistical Section" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 27, 2014



Department of Finance
211 Walnut St., P.O. Box 486, Neenah, WI 54957-0486
Phone: 920-886-6140 Fax: 920-886-6150
website/e-mail: www.ci.neenah.wi.us

Management's Discussion and Analysis (Unaudited)

The following discussion and analysis is intended to provide readers an overview of the financial activities of the City of Neenah (the "City") for the fiscal year ended December 31, 2013. The information should be read in conjunction with the preceding letter of transmittal, as well as the City's financial statements, which begin on page 1 of this report. This is the eleventh year the City has reported its financial statements in conformance with Governmental Accounting Standards Board Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This is the third year the City has reported its financial statements in conformance with Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting*.

THE FINANCIAL HIGHLIGHTS

- > The City's net position (assets/deferred outflows of resources less liabilities/deferred inflows of resources) total \$137,259,600 as of December 31, 2013. Net position from Governmental Activities account for \$79,783,254 of the total, an increase of \$1,973,415 from the previous year. Business-Type Activities net position was \$57,476,346, an increase of \$1,431,855 from 2012.
- > The City ended 2013 with a fund balance of \$12,402,801 for all Governmental Funds. This total includes \$3,782,035, which is unassigned, in the City's General Fund. This fund balance is 16.72% of the City's 2013 General Fund expenditures/other financing uses of \$22,623,451.
- > In 2013, the City issued \$5,270,000 in General Obligation ("G.O.") Notes, \$7,545,000 in G.O. Refunding Bonds (tax exempt) and \$1,030,000 in G.O. Refunding Bonds (taxable), all backed by the full faith and credit of the City. Of these amounts, \$2,902,174 was for Business-Type activities. In addition, \$17,620,000 in CDA Lease Revenue Refunding Bonds and \$3,545,000 in Water Utility Revenue Refunding Bonds were also issued. The City is also responsible for \$9,620,219 of Sanitary Sewer Clean Water Loan Fund Revenue debt through its ownership share in the Neenah-Menasha Sewerage Commission, which issued the loan in 2013.

Management's Discussion and Analysis (Unaudited)

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements designed to provide readers a broad overview of the financial condition of the City of Neenah as of December 31, 2013. The Statement of Net Position and Statement of Activities (pages 1 through 3) provide information about the financial condition of the City as a whole. It provides the reader the Total Net Position of the City (all assets/deferred outflows of resources less liabilities/deferred inflows of resources). It also provides the reader a financial summary of the activities and operations of the City. On pages 4 through 8 are fund financial statements that provide a more detailed summary of the Governmental Funds (non business-type activities).

The remaining statements on pages 9 through 16 provide information on the City's Proprietary (business-type activity) Funds and Fiduciary Funds (in which the City acts solely as agent for the benefit of those outside of the City's operation) and Component Units.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As we begin to analyze the City's financial condition and operations as of December 31, 2013, we will try to answer some very basic questions. Is the City better or worse off financially than it was in 2012? Has the City planned appropriately for its operations and activities? Is the City financially healthy as it plans for the future?

First, let's provide some general information to facilitate a better understanding of how local government is required to account for and report on its operations and activities. In the Statement of Net Position and Statement of Activities, we divide the City into three categories:

Governmental Activities: Most of the City's basic services are reported here. This includes Public Safety (police, fire, emergency government), Public Works (engineering, street lighting, garbage collection, street repair, snow and ice removal, traffic control), Parks, Recreation and Education (public library, parks, recreation programs, swimming pool, special events), Health and Welfare (nursing services, sanitarian), Community Development (economic development, building inspections, mass transit) and General Government (common council, mayor, administration, risk management/insurance). These services are funded by various revenue sources, including property taxes, intergovernmental aid, licenses and permits, charges for services and investment income.

Business-Type Activities: For these activities, the City charges a fee to cover all or most of the costs of certain services it provides. The City's Water, Sewer, Stormwater and Parking Utilities are reported here.

Component Units: The City includes two separate entities, the Business Improvement District ("BID") and the Community Development Authority ("CDA"). Separate statements are issued for the BID, but are not for the CDA.

Management's Discussion and Analysis (Unaudited)

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Neenah is required by law to use "fund accounting" to ensure and demonstrate compliance with all finance-related requirements. All funds of the City are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*. Each category of funds uses different accounting methods to account for and report financial results.

Governmental Funds

The majority of the City's operations and activities are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left in these funds are available to be spent in future years. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. It also is useful in evaluating a government's ability to meet near-term financing requirements. The relationship between governmental *activities* (as reported in the Statement of Net Position and Statement of Activities) and governmental *funds* is reconciled at the end of the fund financial statements on page 8. Following is a listing and description of the governmental funds reported by the City of Neenah in 2013:

General Fund

The general fund (major fund) is the general operating fund of the City. It is used to account for all financial resources except those resources required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects). In 2013, the City of Neenah used special revenue funds to account for:

TIF District #5	Library
TIF District #6	Clock Tower Renovations
TIF District #7	Other
TIF District #8 (major fund)	Cemetery Perpetual Care
Community Development Block Grant	Cemetery Flowers
Housing/Business Loans	Walnut Employee Group
Industrial Development	
Recycling	
Health Grants	
Parks and Recreation	
Dial-A-Ride	
Civic and Social	

Management's Discussion and Analysis (Unaudited)

Debt Service Fund

The debt service fund (major fund) is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of, general long-term debt principal, interest and related costs (other than those being financed by proprietary funds).

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment (other than those financed by proprietary funds). In 2013, the City of Neenah used capital project funds to account for:

- Public Infrastructure (major fund)
- TIF District #5
- TIF District #6
- TIF District #7 (major fund)
- TIF District #8 (major fund)
- Redevelopment
- Facilities
- Capital Equipment
- Equipment Replacement

The basic governmental fund financial statements can be found on pages 4 through 8 of this report.

Proprietary Funds

When the City charges customers for the services it provides, whether to outside customers or other units of the City, these services are generally accounted for and reported in the proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. They include *enterprise funds*, which are the same (with more detail) as the business-type activities that are reported in the government-wide statements, and *internal service funds*, which report activities that provide services and supplies for the City's other programs and activities.

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control and accountability or other purposes. In 2013, the City of Neenah used enterprise funds to account for:

Management's Discussion and Analysis (Unaudited)

Water Utility (major fund)
Sewerage Disposal Utility (major fund)
Stormwater Utility (major fund)
Parking Utility

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governmental units on a cost-reimbursement basis. In 2013, the City of Neenah used internal service funds to account for:

Fleet Management	Insurance
Benefit Accrual	Information Systems

The basic proprietary fund financial statements can be found on pages 9 through 13 of this report.

Fiduciary Funds

Agency Funds

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. In 2013, the City of Neenah used agency funds to account for:

Advance Tax Collections	Menasha-Neenah Municipal Court
Neenah-Menasha Fire Rescue	Other

The basic fiduciary fund financial statement can be found on page 14 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, net position (assets/deferred outflows of resources less liabilities/deferred inflows of resources) total \$137,259,600 for the City of Neenah as of December 31, 2013. This includes total assets of \$271,060,302, deferred outflows of resources of \$500,504, total liabilities of \$114,316,772 and deferred inflows of resources of \$19,984,434. While the usefulness of these numbers in determining the financial position of the City continues to be somewhat debatable, it is useful to examine the specifics of the City's total net position.

Capital assets (land, buildings, building improvements, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress) account for approximately 77% of the City's total assets. This includes the City's investment in roads, sewers and bridges. Non-current liabilities, most of which were incurred to finance capital assets, account for approximately 94% of all City liabilities. The following table provides an analysis of the City's net position outlook:

Management's Discussion and Analysis (Unaudited)

CITY OF NEENAH NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 40,129,229	\$ 37,055,620	\$ 22,682,256	\$ 13,577,243	\$ 62,811,485	\$ 50,632,863
Capital assets	129,388,188	129,918,825	78,860,629	78,948,432	208,248,817	208,867,257
Total assets	<u>169,517,417</u>	<u>166,974,445</u>	<u>101,542,885</u>	<u>92,525,675</u>	<u>271,060,302</u>	<u>259,500,120</u>
Deferred outflows of resources	291,690	-	208,814	144,652	500,504	144,652
Long-term liabilities	(66,948,786)	(66,118,339)	(40,766,447)	(33,586,685)	(107,715,233)	(99,705,024)
Other liabilities	<u>(3,112,633)</u>	<u>(3,156,684)</u>	<u>(3,488,906)</u>	<u>(2,981,088)</u>	<u>(6,601,539)</u>	<u>(6,137,772)</u>
Total liabilities	<u>(70,061,419)</u>	<u>(69,275,023)</u>	<u>(44,255,353)</u>	<u>(36,567,773)</u>	<u>(114,316,772)</u>	<u>(105,842,796)</u>
Deferred inflows of resources	(19,964,434)	(19,889,583)	(20,000)	(58,063)	(19,984,434)	(19,947,646)
Net position:						
Net investment in capital assets	81,134,838	81,646,601	46,259,804	44,548,856	126,159,388	124,804,227
Restricted	4,122,877	4,075,167	1,232,260	1,431,753	5,355,137	5,506,920
Unrestricted (deficit)	<u>(5,474,461)</u>	<u>(7,911,929)</u>	<u>9,984,282</u>	<u>10,063,882</u>	<u>5,745,075</u>	<u>3,543,183</u>
Total net position	<u>\$ 79,783,254</u>	<u>\$ 77,809,839</u>	<u>\$ 57,476,346</u>	<u>\$ 56,044,491</u>	<u>\$ 137,259,600</u>	<u>\$ 133,854,330</u>

The total net position section includes an adjustment of \$1,235,254 for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column (see Note I (D) on page 33).

Net position for governmental activities increased \$1,973,415 from 2012, while net position for business-type activities rose by \$1,431,855. The increase in both governmental activity net position and business-type activity net position is due to an increase in both current and capital assets more than offsetting increases in both current and non-current liabilities.

The following table provides a more detailed analysis of the City's change in net position:

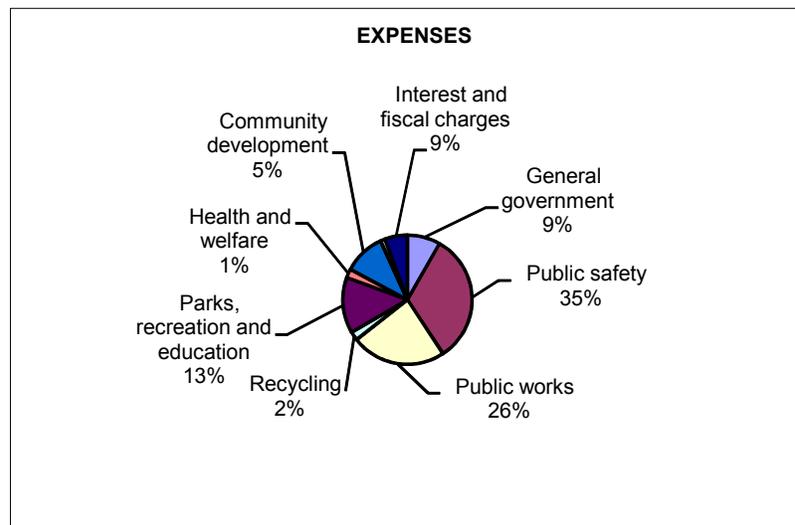
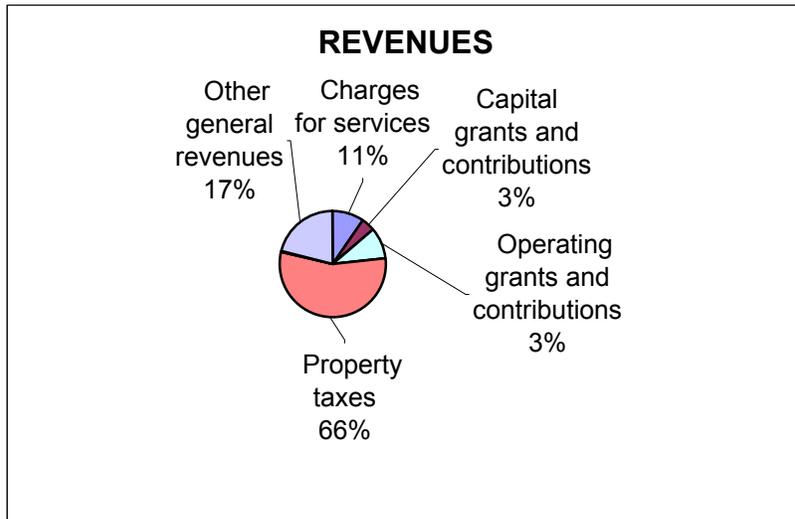
Management's Discussion and Analysis (Unaudited)

CITY OF NEENAH CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$ 3,131,765	\$ 3,337,909	\$ 14,326,962	\$ 14,754,020	\$ 17,458,727	\$ 18,091,929
Operating grants and contributions	984,782	721,953	-	-	984,782	721,953
Capital grants and contributions	946,701	1,773,195	157,112	(245,447)	1,103,813	1,527,748
General revenues						
Property taxes	19,658,906	18,706,015	-	-	19,658,906	18,706,015
Other taxes	11,925	32,021	50,000	71,800	61,925	103,821
Other general revenues	5,025,160	4,775,325	29,727	40,095	5,054,887	4,815,420
Total revenues	<u>29,759,239</u>	<u>29,346,418</u>	<u>14,563,801</u>	<u>14,620,468</u>	<u>44,323,040</u>	<u>43,966,886</u>
Expenses						
General government	2,648,878	2,362,306	-	-	2,648,878	2,362,306
Public safety	10,522,364	10,970,949	-	-	10,522,364	10,970,949
Public works	7,785,260	7,491,434	-	-	7,785,260	7,491,434
Recycling	510,705	477,741	-	-	510,705	477,741
Parks, recreation and education	3,984,727	4,312,726	-	-	3,984,727	4,312,726
Health and welfare	34,679	365,020	-	-	34,679	365,020
Community development	1,511,981	1,622,521	-	-	1,511,981	1,622,521
Interest and fiscal charges	3,074,953	2,768,349	-	-	3,074,953	2,768,349
Water utility	-	-	5,977,085	5,729,773	5,977,085	5,729,773
Sewer disposal utility	-	-	3,340,100	2,567,948	3,340,100	2,567,948
Storm water utility	-	-	1,276,294	1,038,419	1,276,294	1,038,419
Other proprietary funds	-	-	250,744	218,765	250,744	218,765
Total expenses	<u>30,073,547</u>	<u>30,371,046</u>	<u>10,844,223</u>	<u>9,554,905</u>	<u>40,917,770</u>	<u>39,925,951</u>
Increase (decrease) in net position before transfers	(314,308)	(1,024,628)	3,719,578	5,065,563	3,405,270	4,040,935
Transfers	2,287,723	2,295,402	(2,287,723)	(2,295,402)	-	-
Change in net position	1,973,415	1,270,774	1,431,855	2,770,161	3,405,270	4,040,935
Net position-beginning	77,809,839	76,539,065	56,044,491	53,274,330	133,854,330	129,813,395
Net position-end of year	<u>\$ 79,783,254</u>	<u>\$ 77,809,839</u>	<u>\$ 57,476,346</u>	<u>\$ 56,044,491</u>	<u>\$ 137,259,600</u>	<u>\$ 133,854,330</u>

Property taxes in 2013 accounted for 66.06% of total governmental activities revenue, while charges for services accounted for virtually all of revenues generated by business-type activities. Expenses for public safety and public works were 60.88% of all governmental activities expenses. Business-type activities expenses were mostly due to the operations of the Water Utility (55.12%) and Sewerage Disposal Utility (30.80%). The following graphs provide a breakdown of all governmental activities revenues and expenses:

Management's Discussion and Analysis (Unaudited)



INDIVIDUAL FUND FINANCIAL ANALYSIS

Governmental Funds

The City of Neenah ended 2013 with a fund balance of \$12,402,801 in its governmental funds, compared to \$8,799,287 as of December 31, 2012. The majority of this increase is due to significantly increased tax increment generated as well as savings generated by debt refunding in the TIF Special Revenue Funds.

Management's Discussion and Analysis (Unaudited)

General Fund

The City's General Fund realized a small fund balance increase of \$3,755 from 2013 operations. Positive expenditure budget variances in most City operations were offset by a large deficit in the snow and ice control budget as well as a significant unrealized loss on City investments, leading to the virtual break-even results for 2013.

Fund balance at year end totaled \$3,956,713, of which \$3,782,035 is unassigned. This unassigned fund balance is 16.72% of the City's 2013 General Fund expenditures/other financing uses of \$22,623,451. Municipal credit analysts, Standard and Poor's and Moody's Investors Service, considers the fund balance in the general fund an important measure of a city's financial condition. The fund balance of 16.72% of expenditures/other financing uses is considered a moderately strong fund balance by S&P and Moody's, and helps contribute to the City of Neenah's very strong AA and Aa2 bond ratings, respectively.

Special Revenue-TIF District No. 8

The Special Revenue-TIF District No. 8 fund accounts for the accumulation of TIF tax increment generated by development in the district, and the corresponding transfer of funds to the City's general and debt service funds for administrative and debt service related costs. The net increase in fund balance during the year was \$24,619, which resulted in a fund balance deficit at year end of \$4,311,104. The primary reason for the increase in the fund balance is the increased tax increment generated as well as savings generated by debt refunding.

Debt Service

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The net increase in fund balance during the year of \$90,370 was mainly caused by the City's decision to continue the practice, which began in 2012, to levy \$900,000 for TIF-related Debt Service, funding that had previously been used to fund non-TIF debt service payments. That amount, which remains in the Debt Service Fund fund balance, is being used to fund temporary advances to offset cash deficits in TIF #6 and TIF # 8 Special Revenue Funds, deficits created by debt services payments in excess of tax increment received.

Capital Projects – Public Infrastructure

This fund accounts for resources to be used for the acquisition, construction or maintenance of streets, sewers, pedestrian routes and traffic signals. The use of previously unspent borrowed funds to fund the completion of various projects carried over from 2012, which led to a small decrease in fund balance of \$11,712, which resulted in a fund balance at year end of \$4,111,597.

Capital Projects – TIF District No. 7

This fund accounts for resources to be used to fund redevelopment projects within the City's Westside Business Corridor. Unspent borrowed funds in 2013 led to a small increase in fund balance of \$7,042. This resulted in a fund balance at year end of \$1,015,038.

Management's Discussion and Analysis (Unaudited)

Capital Projects – TIF District No. 8

This fund accounts for resources to be used to fund redevelopment projects within the City's Doty Island and Riverwalk Zone improvement districts. Unspent borrowed funds in 2013 led to an increase in fund balance of \$657,369. This resulted in a positive year-end balance of \$1,124,705.

Proprietary Funds

Water Utility

The water utility's operating income was \$3,351,100 in 2013, with net income before transfers and contributions of \$2,388,369. These positive operating results lead to an increase in net position of \$1,280,542. The water utility's 2013 rate of return is 6.21%, compared to 8.55% in 2012. Positive operating outcomes are the result of a water rate increase that was fully implemented in 2011. These were partially offset by the loss of the Utility's largest water user (Fox Valley Energy) in June of 2013.

Sewerage Disposal Utility

The sewerage disposal utility realized an operating gain, before transfers and contributions, of \$662,398. Overall net position increased by \$133,773. A low rate structure was the main contributing factor to the operating loss and decrease in net position in years prior to 2011. The City approved a new rate structure in late 2008 for implementation in 2009-2012, resulting in the continuation of stable operating results for 2013.

Storm Water Utility

The City formed a new storm water utility in 2003. In 2013, the utility had operating income, before transfers and contributions, of \$421,557 and an increase in net position of \$52,202. A rate increase in 2009, coupled with stable operating expenses, continue to be the driving force behind ongoing positive operating results.

BUDGETARY ANALYSIS

The City's 2013 General Fund adopted expenditure budget totaled \$22,763,390. The Common Council approved departmental 2013 carryover requests of 2012 unspent operating funds (\$15,120) as well as an amendment to incorporate the Police K9 budget (\$11,930) into the general fund. These actions increased the budget by \$27,050 to an amended expenditure budget of \$22,790,440. The City's final General Fund revenue budget totaled \$22,693,390. Along with approved carryovers, the 2013 revenue budget also anticipated the use of \$70,000 in unassigned reserves. With carryover funds of \$15,120, the applied reserves budgeted totaled \$85,120. In addition, the revenue budget was amended to include \$11,930 of K9 trust funds, leading to a final total of \$22,790,440 for all funding sources to fund the 2013 budget.

Management's Discussion and Analysis (Unaudited)

The City ended 2013 with an unassigned fund balance increase of \$160,734 from 2012, and a total fund balance increase of \$3,755. As stated above, the City's 2013 budget anticipated a reduction of \$85,120 in total fund balance, resulting in a net positive variance of \$88,875.

Actual general fund revenue was \$78,114 (.34%) less than budget. The City experienced a positive variance in Intergovernmental Revenues (\$28,673), Licenses and Permits (\$16,631), Charges for Services (\$67,298) and Other Financing Sources (\$159,545), while Taxes (\$6,175), Fines, Forfeitures and Penalties (\$39,942) and Investment Income/Miscellaneous (\$304,144) experienced negative variances.

General fund expenditures finished 2013 with a favorable budget variance of \$166,989 (.73%). Almost all operating facets experienced positive variances, including General Government (\$23,201), Public Safety (\$155,823), Parks, Recreation and Education (\$30,792), Health and Welfare (\$90), Community Development (\$83,736) and Other (\$59,191). Public Works (\$185,844) was the only function with an unfavorable budget variance. Statements highlighting budget versus actual variances can be found on pages 77 through 80 of this report.

In summary, the City's combined negative revenue variance of \$78,114 and positive expenditure variance of \$166,989 led to a 2013 General Fund operating gain of \$88,875. This number, when combined with the 2013 budgeted use of reserves of \$85,120, equals the total increase in fund balance of \$3,755 for fiscal year 2013.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the City of Neenah had a net investment in capital assets of \$208,248,817, for all governmental and business-type activities of the City. This is a decrease of \$618,440 or .30%, from the end of 2012.

Major capital asset additions (before depreciation) that took place in the City's governmental activities include net additions to Land and Land Improvements (\$98,996), Improvements (\$452,360), Buildings (\$249,384), Equipment, Furniture and Fixtures (\$473,677), Streets (\$455,918), and Bridges (\$180,127). Other than depreciation, there were no significant capital asset value reductions in any categories.

In the City's business-type activities, the Water Utility experienced an increase (before accumulated depreciation) in Transmission and Distribution (\$787,375). The City's Sewerage Disposal Utility saw a net increase in Collection System (\$931,668), while the Storm Water Utility also had a net addition in Collection System (\$97,854). The City's Parking Utility saw no major reduction in any categories in 2013. The following table provides a summary of the City's change in capital assets:

Management's Discussion and Analysis (Unaudited)

CITY OF NEENAH CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 12,718,486	\$ 12,643,486	\$ 280,447	\$ 280,447	\$ 12,998,933	\$ 12,923,933
Detention Ponds	-	-	3,400,156	3,400,156	3,400,156	3,400,156
Right-of-way	13,112,194	13,112,194	-	-	13,112,194	13,112,194
Land Improvements	10,279,498	10,255,502	-	-	10,279,498	10,255,502
Depreciable Capital Assets	146,410,148	144,552,981	103,023,030	101,192,651	249,433,178	245,745,632
Construction in progress	21,535	12,035	-	-	21,535	12,035
Total capital assets	182,541,861	180,576,198	106,703,633	104,873,254	289,245,494	285,449,452
Less accumulated depreciation	(53,153,673)	(50,657,373)	(27,843,004)	(25,924,822)	(80,996,677)	(76,582,195)
Capital assets net of depreciation	<u>\$129,388,188</u>	<u>\$129,918,825</u>	<u>\$78,860,629</u>	<u>\$78,948,432</u>	<u>\$208,248,817</u>	<u>\$208,867,257</u>

More detail regarding the City's capital assets can be found in Note IV (D) on pages 43 to 46 of this report.

Outstanding Debt

The City's outstanding general obligation debt (backed by the full faith and credit of City taxpayers) as of December 31, 2013 totaled \$47,963,382. The City also had revenue debt outstanding of \$25,099,983 backed by revenues generated from the Neenah Water Utility (\$24,686,109) and Storm Water Utility (\$413,874). In addition, the City is the lessee for Capital Leases totaling \$22,987,673 owed to the City's Community Development Authority (CDA). The City is also responsible for \$9,620,219 of Sanitary Sewer Clean Water Loan Fund Revenue debt through its ownership share in the Neenah-Menasha Sewerage Commission, which issued the loan in 2013.

In 2013, the City issued \$5,270,000 in General Obligation Promissory Notes. Notes are debt instruments in which the debt principal will be paid off in ten years or less. Proceeds from the notes were authorized for use in the following manner:

City Capital Improvements Projects	\$3,765,000
Sanitary Sewer Utility	1,105,000
Storm Water Utility	<u>400,000</u>
	<u>\$5,270,000</u>

In addition, the City issued \$7,545,000 in G.O. Refunding Bonds (tax exempt), \$1,030,000 in G.O. Refunding Bonds (taxable), \$3,545,000 in Water Utility Revenue Refunding Bonds and \$17,620,000 in CDA Lease Revenue Refunding Bonds.

City outstanding G.O. notes and bonds carry a Aa2 bond rating from municipal rating agency, Moody's Investors Service, and a AA/stable rating from Standard & Poor's. Moody's current rating for all outstanding water utility revenue debt is A1.

Management's Discussion and Analysis (Unaudited)

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized valuation. Based upon the City's 2013 equalized value of \$1,852,907,500, the City's statutory debt limit totaled \$92,645,375. The City was at 51.77% of its legal debt limit as of December 31, 2013.

The following table provides a summary of all outstanding debt and lease obligations:

CITY OF NEENAH OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General obligation bonds and notes \$	39,562,952	\$ 39,273,910	\$ 8,400,430	\$ 8,181,034	\$ 47,963,382	\$ 47,454,944
Capital leases	22,987,673	22,425,000	-	-	22,987,673	22,425,000
Revenue bonds	-	-	34,720,202	27,574,677	34,720,202	27,574,677
Total	<u>\$62,550,625</u>	<u>\$61,698,910</u>	<u>\$ 43,120,632</u>	<u>\$ 35,755,711</u>	<u>\$ 105,671,257</u>	<u>\$ 97,454,621</u>

More detail regarding the City's outstanding debt can be found in Note IV (F) on pages 50 through 57 of this report.

ECONOMIC FACTORS, 2013 TAX RATES AND THE 2014 BUDGET

As we enter 2014, the City of Neenah continues to face the obvious challenges being experienced across the nation. Those challenges continue to be divided into two basic categories: the macro economic problems of job growth and stagnant property values as well as specific issues related to the State of Wisconsin. Fortunately, the City has been proactively preparing itself in recent years to confront these issues head on, and believes it is well positioned to meet these and any future challenges as they arise.

On the larger economic issues, City demographic statistics such as City and resident per return adjusted gross income and total per capita income continue to perform well when compared to both state and national averages. The City did experience reasonably strong housing development in 2013, while commercial and industrial development continued to grow at a moderate pace.

In an effort that has gained nationwide attention, the State's Governor and Legislature implemented legislation in June 2011 to confront an estimated \$3.6 billion bi-annual budget deficit. The budget included large reductions in state shared revenue and transportation aids. The proposal also included reforms to public employee union collective bargaining to help offset the reductions in state aid. This included mandating employee contributions to pension and health insurance plans for government employees. Savings from the State collective bargaining reforms for non-public safety employees have been instrumental in offsetting state revenue reductions. In addition, subsequent labor negotiations with public safety employees will generate additional savings affecting budget years 2012 to 2014.

Management's Discussion and Analysis (Unaudited)

Prior to these reforms, the City initiated a wage freeze for all non-represented employees for 2009 and 2010, and union concessions were negotiated to reduce contractual wage increases for 2009 and 2010. Other operational cost savings initiatives were also explored and instituted for 2009 and beyond. In addition, the City passed an ordinance to provide a reduced level of "second-tier" wage and benefit levels for the majority of new employees beginning in 2011.

In summary, State collective bargaining reforms and City labor and budget reforms have provided the City the opportunity to reduce and stabilize baseline wage and benefit levels moving forward. This in turn should provide the City the ability to counteract ongoing challenges without adversely affecting core services, while remaining committed to solutions that are based on sound financial principles that are sustainable into the future.

The City's 2014 budget provided for an operating tax levy increase of 1.85% (before TIF), with a 1.43% increase after TIF. This translated into an assessed tax rate (after TIF) for City services of \$9.04 per \$1,000 of assessed valuation (a .48% decrease). The corresponding equalized tax rate is \$9.27 per \$1,000 of equalized value (a .76% increase).

In the City's enterprise funds, the City's Water Utility continues on sound financial footing after implementing a 32% rate increase in January 2011. This stability has been somewhat challenged by the loss of the City's largest water user, Fox Valley Energy, in June of 2013. This loss, among other factors, contributed to the 9.1% reduction in sales of water in 2013. The Utility's rate of return for 2013 was 6.21%.

Sanitary Sewer Utility rates were increased on the average residential user by \$3.50 per month effective January 1, 2009 and \$2.50 per month effective January 1, 2010. Another 20% increase was implemented in January 2011. Rates remained unchanged in 2012. 2013 saw an increase of 15%, with another 15% increase as of March 1, 2014. The 2013-14 increases were primarily to fund the City's share of a \$23 million improvement project to the Neenah/Menasha Wastewater Treatment Plant. Despite these increases, rates continue to be among the lowest in the state. After a rate increase on January 1, 2009 (the first since the utility was formed in 2003), rates for the City's Stormwater Utility remained unchanged from 2010 to 2014. The Storm Water Utility charges all properties in the City a fee based upon the approximate impervious surface of the property, which contributes to storm water runoff.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Neenah's finances for anyone who would have an interest. Additional information regarding the City's finances or questions concerning any of the information found in this report should be addressed to the City of Neenah, Director of Finance, 211 Walnut Street, P.O. Box 426, Neenah, WI 54957-0426. Other information related to the City can be accessed on the City's website at www.ci.neenah.wi.us.

CITY OF NEENAH

STATEMENT OF NET POSITION
As of December 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business- type Activities	Totals	
ASSETS				
Cash and investments	\$ 12,176,517	\$ 7,985,438	\$ 20,161,955	\$ 23,428
Receivables (net of allowance for uncollectibles)				
Taxes	20,139,255	20,000	20,159,255	106,453
Delinquent personal property	66,150	-	66,150	-
Special assessments	975,285	95,761	1,071,046	-
Loans	642,457	-	642,457	-
Accrued interest	28,206	-	28,206	70,315
Accounts	200,398	1,414,819	1,615,217	-
Unbilled revenues	-	1,516,990	1,516,990	-
Other	293,624	274,962	568,586	-
Internal balances	1,063,063	(1,063,063)	-	-
Due from component unit	2,331,786	-	2,331,786	-
Due from other governments	37,149	9,620,219	9,657,368	-
Lease receivable from primary government	-	-	-	22,987,673
Inventories	205,901	120,068	325,969	-
Prepaid items	79,283	2,368	81,651	-
Restricted Assets				
Cash and investments	-	2,306,532	2,306,532	2,331,786
Accrued interest	-	418	418	-
Deposit with risk pool	1,117,155	-	1,117,155	-
Other assets	-	387,744	387,744	-
Assets held for resale	773,000	-	773,000	-
Capital Assets				
Land	12,718,486	280,447	12,998,933	-
Detention ponds	-	3,400,156	3,400,156	-
Right-of-way	13,112,194	-	13,112,194	-
Land improvements	10,279,498	-	10,279,498	-
Construction in progress	21,535	-	21,535	-
Depreciable capital assets, net	93,256,475	75,180,026	168,436,501	14,332
Total Assets	<u>169,517,417</u>	<u>101,542,885</u>	<u>271,060,302</u>	<u>25,533,987</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on advance refunding	291,690	208,814	500,504	842,327
LIABILITIES				
Accounts payable	1,020,526	371,635	1,392,161	-
Other accrued liabilities	1,012,814	124,440	1,137,254	70,315
Claims payable	552,119	-	552,119	-
Due to other governmental units	189	-	189	-
Due to primary government	-	-	-	2,331,786
Other liabilities	526,985	66,449	593,434	-
Unearned revenue	-	7,000	7,000	-
Liabilities Payable From Restricted Assets				
Current maturities of revenue debt	-	2,831,908	2,831,908	-
Accrued interest	-	87,474	87,474	-
Noncurrent Liabilities				
Due within one year	5,777,893	1,186,881	6,964,774	500,000
Due in more than one year	61,170,893	39,579,566	100,750,459	23,330,000
Total Liabilities	<u>70,061,419</u>	<u>44,255,353</u>	<u>114,316,772</u>	<u>26,232,101</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	19,964,434	20,000	19,984,434	129,886
NET POSITION				
Net investment in capital assets	81,134,838	46,259,804	126,159,388	14,332
Restricted for				
Debt service	695,316	982,260	1,677,576	-
Loans	935,013	-	935,013	-
Grant programs	120,188	-	120,188	-
Library	1,111,677	-	1,111,677	-
Cemetery	1,260,683	-	1,260,683	-
Depreciation	-	250,000	250,000	-
Unrestricted (deficit)	(5,474,461)	9,984,282	5,745,075	(5)
TOTAL NET POSITION	<u>\$ 79,783,254</u>	<u>\$ 57,476,346</u>	<u>\$ 137,259,600</u>	<u>\$ 14,327</u>

See accompanying notes to financial statements.

CITY OF NEENAH

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,648,878	\$ 729,554	\$ -	\$ -
Public safety	10,522,364	330,783	113,401	31,985
Public works	7,785,260	171,441	118,189	387,975
Recycling	510,705	259,920	236,982	-
Parks, recreation, and education	3,984,727	1,357,284	95,779	62,541
Health and welfare	34,679	79,282	-	-
Community development	1,511,981	203,501	420,431	464,200
Interest and fiscal charges	3,074,953	-	-	-
Total Governmental Activities	<u>30,073,547</u>	<u>3,131,765</u>	<u>984,782</u>	<u>946,701</u>
Business-type Activities				
Water utility	5,977,085	8,343,050	-	17,777
Sewerage disposal utility	3,340,100	3,999,498	-	137,577
Stormwater utility	1,276,294	1,693,528	-	1,758
Parking utility	250,744	290,886	-	-
Total Business-type Activities	<u>10,844,223</u>	<u>14,326,962</u>	<u>-</u>	<u>157,112</u>
Total Primary Government	<u>\$ 40,917,770</u>	<u>\$ 17,458,727</u>	<u>\$ 984,782</u>	<u>\$ 1,103,813</u>
Component Units - Business-type Activities				
Business Improvement District	\$ 151,812	\$ -	\$ -	\$ -
Community Development Authority	1,477,606	-	-	-
Total Component Units	<u>\$ 1,629,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF purposes

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning

NET POSITION - Ending

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Totals	
\$ (1,919,324)	\$ -	\$ (1,919,324)	\$ -
(10,046,195)	-	(10,046,195)	-
(7,107,655)	-	(7,107,655)	-
(13,803)	-	(13,803)	-
(2,469,123)	-	(2,469,123)	-
44,603	-	44,603	-
(423,849)	-	(423,849)	-
(3,074,953)	-	(3,074,953)	-
<u>(25,010,299)</u>	<u>-</u>	<u>(25,010,299)</u>	<u>-</u>
-	2,383,742	2,383,742	-
-	796,975	796,975	-
-	418,992	418,992	-
<u>-</u>	<u>40,142</u>	<u>40,142</u>	<u>-</u>
<u>-</u>	<u>3,639,851</u>	<u>3,639,851</u>	<u>-</u>
(25,010,299)	3,639,851	(21,370,448)	-
-	-	-	(151,812)
-	-	-	(1,477,606)
12,198,654	-	12,198,654	-
3,210,000	-	3,210,000	-
4,250,252	-	4,250,252	-
11,925	50,000	61,925	125,560
3,915,415	-	3,915,415	-
226,475	26,120	252,595	1,477,627
883,270	3,607	886,877	-
<u>2,287,723</u>	<u>(2,287,723)</u>	<u>-</u>	<u>-</u>
<u>26,983,714</u>	<u>(2,207,996)</u>	<u>24,775,718</u>	<u>1,603,187</u>
1,973,415	1,431,855	3,405,270	(26,231)
<u>77,809,839</u>	<u>56,044,491</u>	<u>133,854,330</u>	<u>40,558</u>
<u>\$ 79,783,254</u>	<u>\$ 57,476,346</u>	<u>\$ 137,259,600</u>	<u>\$ 14,327</u>

See accompanying notes to financial statements.

CITY OF NEENAH

BALANCE SHEET - GOVERNMENTAL FUNDS
As of December 31, 2013

	General	Special Revenue - TIF District No. 8	Debt Service	Capital Projects - Public Infrastructure
ASSETS				
Cash and investments	\$ 3,248,508	\$ 1,909	\$ 285,896	\$ 3,003,438
Receivables				
Taxes	12,587,796	1,368,819	3,357,065	-
Delinquent personal property	66,150	-	-	-
Special assessments	-	-	367,400	607,885
Loans	-	-	-	-
Accrued interest	28,206	-	-	-
Other	199,896	-	-	64,859
Due from other funds	1,093,330	-	-	9,000
Due from component unit	-	-	-	-
Due from other governments	37,149	-	-	-
Inventories	2,258	-	-	-
Prepaid items	31,849	-	-	-
Advances to other funds	-	-	1,412,500	891,000
TOTAL ASSETS	\$ 17,295,142	\$ 1,370,728	\$ 5,422,861	\$ 4,576,182
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 248,173	\$ 513	\$ -	\$ 4,200
Other accrued liabilities	491,362	-	-	-
Due to other governmental units	189	-	-	-
Due to other funds	30,267	-	-	-
Other liabilities	-	-	-	460,385
Advances from other funds	-	4,312,500	-	-
Total Liabilities	<u>769,991</u>	<u>4,313,013</u>	<u>-</u>	<u>464,585</u>
Deferred Inflows of Resources				
Unearned revenue	12,545,827	1,368,819	3,210,000	-
Unavailable revenue	22,611	-	367,401	-
Total Deferred Inflows of Resources	<u>12,568,438</u>	<u>1,368,819</u>	<u>3,577,401</u>	<u>-</u>
Fund Balances				
Nonspendable:				
Delinquent personal property taxes	66,150	-	-	-
Inventories	2,258	-	-	-
Prepaid items	31,849	-	-	-
Non-current receivables/advances	-	-	-	891,000
Restricted	-	-	1,845,460	-
Committed	-	-	-	-
Assigned	74,421	-	-	3,220,597
Unassigned (deficit)	3,782,035	(4,311,104)	-	-
Total Fund Balances	<u>3,956,713</u>	<u>(4,311,104)</u>	<u>1,845,460</u>	<u>4,111,597</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 17,295,142	\$ 1,370,728	\$ 5,422,861	\$ 4,576,182

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note IV.D.

Assets held for resale are not reported in the funds.

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV.B.

Internal service funds are reported in the statement of net position as governmental funds.

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A.

NET POSITION OF GOVERNMENTAL ACTIVITIES

See accompanying notes to financial statements.

Capital Projects - TIF District No. 7	Capital Projects - TIF District No. 8	Other Governmental Funds	Total Governmental Funds
\$ 77,538	\$ 485	\$ 5,197,400	\$ 11,815,174
-	-	2,825,575	20,139,255
-	-	-	66,150
-	-	-	975,285
-	-	642,457	642,457
-	-	-	28,206
-	-	28,869	293,624
-	-	-	1,102,330
-	2,331,786	-	2,331,786
-	-	-	37,149
-	-	-	2,258
-	-	1,229	33,078
<u>950,000</u>	<u>-</u>	<u>797,000</u>	<u>4,050,500</u>
<u>\$ 1,027,538</u>	<u>\$ 2,332,271</u>	<u>\$ 9,492,530</u>	<u>\$ 41,517,252</u>
\$ 12,500	\$ 11,566	\$ 249,952	\$ 526,904
-	-	-	491,362
-	-	-	189
-	-	2,100	32,367
-	-	66,600	526,985
-	1,196,000	1,688,000	7,196,500
<u>12,500</u>	<u>1,207,566</u>	<u>2,006,652</u>	<u>8,774,307</u>
-	-	2,825,486	19,950,132
-	-	-	390,012
-	-	2,825,486	20,340,144
-	-	-	66,150
-	-	-	2,258
-	-	1,229	33,078
-	-	-	891,000
1,015,038	1,124,705	4,332,812	8,318,015
-	-	1,135,457	1,135,457
-	-	899,327	4,194,345
-	-	(1,708,433)	(2,237,502)
<u>1,015,038</u>	<u>1,124,705</u>	<u>4,660,392</u>	<u>12,402,801</u>
<u>\$ 1,027,538</u>	<u>\$ 2,332,271</u>	<u>\$ 9,492,530</u>	
			129,388,188
			773,000
			390,012
			1,749,985
			<u>(64,920,732)</u>
			<u>\$ 79,783,254</u>

See accompanying notes to financial statements.

CITY OF NEENAH

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	General	Special Revenue - TIF District No. 8	Debt Service	Capital Projects - Public Infrastructure
REVENUES				
Taxes	\$ 12,210,475	\$ 1,435,121	\$ 3,210,000	\$ -
Intergovernmental	3,729,623	201,288	107,760	118,189
Licenses and permits	277,171	-	-	-
Fines, forfeitures and penalties	108,058	-	-	-
Special assessments	-	-	339,146	-
Charges for services	2,534,198	-	-	-
Contributions	-	-	-	-
Investment income and miscellaneous	449,326	36,792	3,100	5,804
Total Revenues	<u>19,308,851</u>	<u>1,673,201</u>	<u>3,660,006</u>	<u>123,993</u>
EXPENDITURES				
Current				
General government	2,133,309	-	-	-
Public safety	10,867,257	-	-	-
Public works	4,198,844	-	-	-
Recycling	-	-	-	-
Parks, recreation, and education	3,806,288	-	-	-
Health and welfare	100	-	-	-
Community development	1,328,834	8,291	-	-
Other	276,819	-	-	-
Capital Outlay	-	-	-	1,361,705
Debt Service				
Principal retirement	-	16,215,000	4,626,286	-
Interest and fiscal charges	-	2,341,828	1,328,223	-
Total Expenditures	<u>22,611,451</u>	<u>18,565,119</u>	<u>5,954,509</u>	<u>1,361,705</u>
Excess (deficiency) of revenues over expenditures	<u>(3,302,600)</u>	<u>(16,891,918)</u>	<u>(2,294,503)</u>	<u>(1,237,712)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	5,000	23,330	1,226,000
Refunding bonds issued	-	1,120,910	3,681,948	-
Proceeds from capital lease issued	-	17,620,000	-	-
Payment to fiscal agent for advance refunding	-	(1,130,674)	(3,862,290)	-
Premium on debt	-	66,924	223,167	-
Sale of city property	51,372	-	-	-
Transfers in	3,266,983	-	2,318,718	-
Transfers out	(12,000)	(765,623)	-	-
Total Other Financing Sources (Uses)	<u>3,306,355</u>	<u>16,916,537</u>	<u>2,384,873</u>	<u>1,226,000</u>
Net Change in Fund Balance	3,755	24,619	90,370	(11,712)
FUND BALANCES (DEFICIT) - Beginning	<u>3,952,958</u>	<u>(4,335,723)</u>	<u>1,755,090</u>	<u>4,123,309</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 3,956,713</u>	<u>\$ (4,311,104)</u>	<u>\$ 1,845,460</u>	<u>\$ 4,111,597</u>

See accompanying notes to financial statements.

Capital Projects - TIF District No. 7	Capital Projects - TIF District No. 8	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,041,760	\$ 19,897,356
-	165,400	989,279	5,311,539
-	-	-	277,171
-	-	-	108,058
-	-	-	339,146
-	-	-	2,534,198
-	-	211,523	211,523
-	-	470,611	965,633
-	165,400	4,713,173	29,644,624
-	-	-	2,133,309
-	-	84,164	10,951,421
-	-	-	4,198,844
-	-	546,489	546,489
-	-	95,170	3,901,458
-	-	33,652	33,752
-	-	128,560	1,465,685
-	-	-	276,819
7,958	218,031	1,675,152	3,262,846
-	-	-	20,841,286
-	-	53,611	3,723,662
7,958	218,031	2,616,798	51,335,571
(7,958)	(52,631)	2,096,375	(21,690,947)
15,000	710,000	1,785,670	3,765,000
-	-	2,374,968	7,177,826
-	-	-	17,620,000
-	-	(1,365,643)	(6,358,607)
-	-	75,434	365,525
-	-	19,216	70,588
-	-	30,638	5,616,339
-	-	(2,184,587)	(2,962,210)
15,000	710,000	735,696	25,294,461
7,042	657,369	2,832,071	3,603,514
1,007,996	467,336	1,828,321	8,799,287
\$ 1,015,038	\$ 1,124,705	\$ 4,660,392	\$ 12,402,801

See accompanying notes to financial statements.

CITY OF NEENAH

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds	\$	3,603,514
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		3,262,846
Some items are reported as capital outlay but are not capitalized		(109,035)
Depreciation is reported in the government-wide statements		(3,650,596)
Net book value of assets retired		(33,852)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
		46,166
<p>Debt and leases issued provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which issues (\$10,942,826 for general obligation debt and \$16,777,673 for capital lease) exceeded payments (\$10,653,784 for principal of general obligation debt and \$16,215,000 for principal of capital lease)</p>		
		(851,715)
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
		(249,126)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		569,930
Accrued interest on debt		21,092
Other post-employment benefits		(47,316)
<p>Internal service funds are used by management to charge the costs of self insurance and central equipment agency costs to individual funds. The decrease in net position of the internal service funds is reported with governmental activities.</p>		
		<u>(588,493)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>1,973,415</u>

See accompanying notes to financial statements.

CITY OF NEENAH

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
As of December 31, 2013

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current Assets						
Cash and investments	\$ 4,256,985	\$ 1,050,369	\$ 2,383,638	\$ 294,446	\$ 7,985,438	\$ 361,343
Taxes receivable	-	-	-	20,000	20,000	-
Accounts receivable	806,083	450,078	155,213	3,445	1,414,819	200,398
Unbilled revenues	943,456	432,087	141,447	-	1,516,990	-
Other accounts receivable	4,332	270,630	-	-	274,962	-
Due from other funds	-	30,267	-	-	30,267	2,100
Inventories	119,549	-	-	519	120,068	203,643
Prepaid items	2,368	-	-	-	2,368	46,205
Current portion of due from other governments	-	396,204	-	-	396,204	-
Other assets	569	-	-	-	569	-
Restricted Assets						
Bond redemption account	1,053,911	-	15,405	-	1,069,316	-
Total Current Assets	<u>7,187,253</u>	<u>2,629,635</u>	<u>2,695,703</u>	<u>318,410</u>	<u>12,831,001</u>	<u>813,689</u>
Non-Current Assets						
Restricted Assets						
Bond depreciation account	250,000	-	-	-	250,000	-
Bond reserve account	987,216	-	-	-	987,216	-
Interest receivable	418	-	-	-	418	-
Deposit with risk pool	-	-	-	-	-	1,117,155
Capital Assets						
Land	122,180	-	-	158,267	280,447	-
Detention ponds	-	-	3,400,156	-	3,400,156	-
Plant in service	59,694,429	25,521,981	17,705,511	101,109	103,023,030	-
Accumulated depreciation	(13,342,900)	(8,658,909)	(5,753,556)	(87,639)	(27,843,004)	-
Advances to other funds	-	-	-	-	-	3,146,000
Due from other governments	-	9,224,015	-	-	9,224,015	-
Other Assets						
Special assessments	-	92,921	2,840	-	95,761	-
Deferred loss on retirement	387,175	-	-	-	387,175	-
Total Non-Current Assets	<u>48,098,518</u>	<u>26,180,008</u>	<u>15,354,951</u>	<u>171,737</u>	<u>89,805,214</u>	<u>4,263,155</u>
Total Assets	<u>55,285,771</u>	<u>28,809,643</u>	<u>18,050,654</u>	<u>490,147</u>	<u>102,636,215</u>	<u>5,076,844</u>
Deferred Outflows of Resources						
Unamortized loss on advance refunding	126,508	32,583	49,723	-	208,814	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 55,412,279</u>	<u>\$ 28,842,226</u>	<u>\$ 18,100,377</u>	<u>\$ 490,147</u>	<u>\$ 102,845,029</u>	<u>\$ 5,076,844</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
Current Liabilities						
Accounts payable	\$ 74,336	\$ 279,946	\$ 1,888	\$ 15,465	\$ 371,635	\$ 493,622
Other accrued liabilities	-	48,739	35,575	40,126	124,440	-
Claims payable	-	-	-	-	-	552,119
Due to other funds	1,093,330	-	-	-	1,093,330	9,000
Other current liabilities	66,449	-	-	-	66,449	-
Unearned revenue	7,000	-	-	-	7,000	-
Compensated absences	17,784	-	-	-	17,784	876,667
General obligation debt	-	766,122	402,975	-	1,169,097	-
Current Liabilities Payable From Restricted Assets						
Current maturities of revenue debt	2,415,418	396,204	20,286	-	2,831,908	-
Accrued interest	85,299	-	2,175	-	87,474	-
Total Current Liabilities	<u>3,759,616</u>	<u>1,491,011</u>	<u>462,899</u>	<u>55,591</u>	<u>5,769,117</u>	<u>1,931,408</u>
Noncurrent Liabilities						
General obligation debt payable	-	5,078,606	2,152,727	-	7,231,333	-
Revenue debt	22,270,691	9,224,015	393,588	-	31,888,294	-
Unamortized debt premium	160,669	74,924	60,849	-	296,442	-
Compensated absences	124,557	-	-	-	124,557	1,366,699
Other post-employment benefits	25,280	3,643	7,779	2,238	38,940	14,450
Total Noncurrent Liabilities	<u>22,581,197</u>	<u>14,381,188</u>	<u>2,614,943</u>	<u>2,238</u>	<u>39,579,566</u>	<u>1,381,149</u>
Total Liabilities	<u>26,340,813</u>	<u>15,872,199</u>	<u>3,077,842</u>	<u>57,829</u>	<u>45,348,683</u>	<u>3,312,557</u>
Deferred Inflows of Resources						
Unearned revenue	-	-	-	20,000	20,000	14,302
NET POSITION						
Net investment in capital assets	22,740,655	10,976,003	12,371,409	171,737	46,259,804	-
Restricted for debt service	969,030	-	13,230	-	982,260	-
Restricted for depreciation	250,000	-	-	-	250,000	-
Unrestricted	<u>5,111,781</u>	<u>1,994,024</u>	<u>2,637,896</u>	<u>240,581</u>	<u>9,984,282</u>	<u>1,749,985</u>
TOTAL NET POSITION	<u>\$ 29,071,466</u>	<u>\$ 12,970,027</u>	<u>\$ 15,022,535</u>	<u>\$ 412,318</u>	<u>\$ 57,476,346</u>	<u>\$ 1,749,985</u>

See accompanying notes to financial statements.

CITY OF NEENAH

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Fund
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
OPERATING REVENUES						
Fees, fines, and forfeitures	\$ -	36,289	\$ 14,796	\$ 290,886	\$ 341,971	\$ -
Charges for services	8,055,283	3,963,209	1,669,303	-	13,687,795	9,582,304
Miscellaneous operating income	287,767	-	9,429	-	297,196	-
Total Operating Revenues	<u>8,343,050</u>	<u>3,999,498</u>	<u>1,693,528</u>	<u>290,886</u>	<u>14,326,962</u>	<u>9,582,304</u>
OPERATING EXPENSES						
Utility operations	3,304,263	2,535,290	875,553	250,016	6,965,122	-
Administration	-	260,548	54,492	-	315,040	-
Depreciation	1,558,628	355,366	233,148	728	2,147,870	-
Other	129,059	-	-	-	129,059	9,804,391
Total Operating Expenses	<u>4,991,950</u>	<u>3,151,204</u>	<u>1,163,193</u>	<u>250,744</u>	<u>9,557,091</u>	<u>9,804,391</u>
Operating Income (Loss)	<u>3,351,100</u>	<u>848,294</u>	<u>530,335</u>	<u>40,142</u>	<u>4,769,871</u>	<u>(222,087)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment income	18,797	3,000	4,323	-	26,120	-
Unrealized gains/(losses)	(23,401)	-	-	-	(23,401)	-
Taxes	-	-	-	50,000	50,000	-
Miscellaneous non-operating income	3,607	-	-	-	3,607	-
Loss on sale of capital asset	(5,448)	-	-	-	(5,448)	-
Interest expense	(720,218)	(137,164)	(86,455)	-	(943,837)	-
Amortization of loss on advance refunding	(18,144)	(4,403)	(6,719)	-	(29,266)	-
Debt issuance costs	(227,448)	(59,347)	(29,384)	-	(316,179)	-
Amortization of premium	9,524	12,018	9,457	-	30,999	-
Total Nonoperating Revenues (Expenses)	<u>(962,731)</u>	<u>(185,896)</u>	<u>(108,778)</u>	<u>50,000</u>	<u>(1,207,405)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	2,388,369	662,398	421,557	90,142	3,562,466	(222,087)
Capital contributions	17,777	137,577	1,758	-	157,112	-
Transfers out	(32,274)	(666,202)	(371,113)	(124,804)	(1,194,393)	(366,406)
Transfers - tax equivalent	(1,093,330)	-	-	-	(1,093,330)	-
Change in Net Position	<u>1,280,542</u>	<u>133,773</u>	<u>52,202</u>	<u>(34,662)</u>	<u>1,431,855</u>	<u>(588,493)</u>
TOTAL NET POSITION - Beginning	<u>27,790,924</u>	<u>12,836,254</u>	<u>14,970,333</u>	<u>446,980</u>	<u>56,044,491</u>	<u>2,338,478</u>
TOTAL NET POSITION - ENDING	<u>\$ 29,071,466</u>	<u>\$ 12,970,027</u>	<u>\$ 15,022,535</u>	<u>\$ 412,318</u>	<u>\$ 57,476,346</u>	<u>\$ 1,749,985</u>

See accompanying notes to financial statements.

CITY OF NEENAH

STATEMENT OF CASH FLOWS -
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
CASH FLOWS FROM OPERATING ACTIVITIES						
Received from customers	\$ 8,521,174	\$ 4,117,283	\$ 1,694,101	\$ 297,171	\$ 14,629,729	\$ 9,618,552
Paid to suppliers for good and services	(2,291,678)	(2,184,442)	(644,269)	(234,475)	(5,354,864)	(9,305,276)
Paid to employees	(1,014,853)	(152,456)	(284,710)	-	(1,452,019)	-
Net Cash Provided by Operating Activities	<u>5,214,643</u>	<u>1,780,385</u>	<u>765,122</u>	<u>62,696</u>	<u>7,822,846</u>	<u>313,276</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances for cash deficits	-	-	-	-	-	(60,040)
Paid to municipality for tax equivalent	(1,097,696)	-	-	-	(1,097,696)	-
Transfers out	(32,274)	(666,202)	(371,113)	(124,804)	(1,194,393)	(366,406)
General property taxes	-	-	-	50,000	50,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,129,970)</u>	<u>(666,202)</u>	<u>(371,113)</u>	<u>(74,804)</u>	<u>(2,242,089)</u>	<u>(426,446)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Additions to capital assets	(1,094,056)	(999,421)	(120,158)	-	(2,213,635)	-
Capital contributed by customers	13,780	2,208	1,758	-	17,746	-
Special assessments received	-	45,239	310	-	45,549	-
Long-term debt issued	3,545,000	1,105,000	400,000	-	5,050,000	-
Paid to escrow for advance debt refunding	-	(32,520)	(46,236)	-	(78,756)	-
Debt issuance costs and premiums	16,456	24,800	32,726	-	73,982	-
Principal paid on long-term debt	(6,000,028)	(766,962)	(552,981)	-	(7,319,971)	-
Interest paid on long-term debt	(737,943)	(138,265)	(93,039)	-	(969,247)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,256,791)</u>	<u>(759,921)</u>	<u>(377,620)</u>	<u>-</u>	<u>(5,394,332)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment income	18,818	3,000	4,323	-	26,141	-
Investments sold and matured	71,312	-	-	-	71,312	-
Net Cash Provided by Investing Activities	<u>90,130</u>	<u>3,000</u>	<u>4,323</u>	<u>-</u>	<u>97,453</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(81,988)</u>	<u>357,262</u>	<u>20,712</u>	<u>(12,108)</u>	<u>283,878</u>	<u>(113,170)</u>
CASH AND CASH EQUIVALENTS - Beginning	<u>6,092,451</u>	<u>693,107</u>	<u>2,378,331</u>	<u>306,554</u>	<u>9,470,443</u>	<u>474,513</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 6,010,463</u>	<u>\$ 1,050,369</u>	<u>\$ 2,399,043</u>	<u>\$ 294,446</u>	<u>\$ 9,754,321</u>	<u>\$ 361,343</u>

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ 3,351,100	\$ 848,294	\$ 530,335	\$ 40,142	\$ 4,769,871	\$ (222,087)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities						
Nonoperating income	3,607	-	-	-	3,607	-
Depreciation expense	1,558,628	355,366	233,148	728	2,147,870	-
Depreciation charged to sewer utility	115,165	-	-	-	115,165	-
Amortization of loss on retirement	129,059	-	-	-	129,059	-
Changes in Assets, Liabilities, and Deferred Inflows						
Accounts receivable	95,551	118,848	549	6,285	221,233	(26,375)
Other accounts receivable	(2,983)	197,868	-	-	194,885	-
Due from other funds	-	(1,063)	24	-	(1,039)	52,500
Inventories	4,409	-	-	1,408	5,817	(5,993)
Prepaid items	(1,095)	-	2,000	-	905	28,150
Accounts payable	(16,601)	260,182	(3,147)	2,275	242,709	266,965
Claims payable	-	-	-	-	-	37,797
Other current liabilities	7,324	-	582	11,451	19,357	-
Unearned revenues	(1,063)	-	-	-	(1,063)	(3,347)
Compensated absences	(33,485)	-	-	-	(33,485)	182,064
Other post-employment benefits	5,027	890	1,631	407	7,955	3,602
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 5,214,643	\$ 1,780,385	\$ 765,122	\$ 62,696	\$ 7,822,846	\$ 313,276
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS						
Cash and investments	\$ 4,256,985	\$ 1,050,369	\$ 2,383,638	\$ 294,446	\$ 7,985,438	\$ 361,343
Restricted cash and investments						
Bond redemption account	1,053,911	-	15,405	-	1,069,316	-
Bond depreciation account	250,000	-	-	-	250,000	-
Bond reserve account	987,216	-	-	-	987,216	-
Total Cash and Investments	6,548,112	1,050,369	2,399,043	294,446	10,291,970	361,343
Less: Noncash Equivalents	(537,649)	-	-	-	(537,649)	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,010,463	\$ 1,050,369	\$ 2,399,043	\$ 294,446	\$ 9,754,321	\$ 361,343
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Developer and customer financed additions to utility plant	\$ 3,997	\$ -	\$ -	\$ -	\$ 3,997	\$ -
Long-term debt refunded	\$ -	\$ 570,866	\$ 811,635	\$ -	\$ 1,382,501	\$ -
Unrealized loss on investments	\$ 23,401	\$ -	\$ -	\$ -	\$ 23,401	\$ -
Capital costs special assessed to customers	\$ -	\$ 135,369	\$ -	\$ -	\$ 135,369	\$ -
Debt issuance costs written off	\$ 158,335	\$ 42,584	\$ 14,256	\$ -	\$ 215,175	\$ -
Debt issued on behalf of NMSC	\$ -	\$ 9,620,219	\$ -	\$ -	\$ 9,620,219	\$ -
Refunding debt issued	\$ -	\$ 575,332	\$ 821,842	\$ -	\$ 1,397,174	\$ -

See accompanying notes to financial statements.

CITY OF NEENAH

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 20,615,133
Property taxes receivable	8,682,864
Accounts receivable	8,189
Due from other governmental units	<u>230,937</u>
TOTAL ASSETS	<u>\$ 29,537,123</u>
LIABILITIES	
Accounts payable	\$ 112,760
Accrued liabilities	1,449,388
Due to other governmental units	27,795,042
Advances from other governmental units	<u>179,933</u>
TOTAL LIABILITIES	<u>\$ 29,537,123</u>

See accompanying notes to financial statements.

CITY OF NEENAH

STATEMENT OF NET POSITION COMPONENT UNITS As of December 31, 2013

	Business Improvement District	Community Development Authority	Totals
ASSETS AND DEFERRED OUTFLOWS			
Current Assets			
Cash and investments	\$ 23,428	\$ -	\$ 23,428
Receivables			
Taxes	106,453	-	106,453
Accrued interest	-	70,315	70,315
Total Current Assets	<u>129,881</u>	<u>70,315</u>	<u>200,196</u>
Noncurrent Assets			
Lease receivable from primary government	-	22,987,673	22,987,673
Restricted cash and investments	-	2,331,786	2,331,786
Capital Assets			
Depreciable capital assets	25,500	-	25,500
Less accumulated depreciation	<u>(11,168)</u>	<u>-</u>	<u>(11,168)</u>
Total Noncurrent Assets	<u>14,332</u>	<u>25,319,459</u>	<u>25,333,791</u>
Total Assets	<u>144,213</u>	<u>25,389,774</u>	<u>25,533,987</u>
Deferred Outflows of Resources			
Unamortized loss on advance refunding	<u>-</u>	<u>842,327</u>	<u>842,327</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current Liabilities			
Other accrued liabilities	-	70,315	70,315
Lease revenue bonds payable	-	500,000	500,000
Due to primary government	<u>-</u>	<u>2,331,786</u>	<u>2,331,786</u>
Total Current Liabilities	<u>-</u>	<u>2,902,101</u>	<u>2,902,101</u>
Noncurrent Liabilities			
Lease revenue bonds payable	<u>-</u>	<u>23,330,000</u>	<u>23,330,000</u>
Total Liabilities	<u>-</u>	<u>26,232,101</u>	<u>26,232,101</u>
Deferred Inflows of Resources			
Unearned revenue	<u>129,886</u>	<u>-</u>	<u>129,886</u>
NET POSITION			
Net investment in capital assets	14,332	-	14,332
Unrestricted (deficit)	<u>(5)</u>	<u>-</u>	<u>(5)</u>
TOTAL NET POSITION	<u>\$ 14,327</u>	<u>\$ -</u>	<u>\$ 14,327</u>

See accompanying notes to financial statements.

CITY OF NEENAH

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - COMPONENT UNITS

For the Year Ended December 31, 2013

	<u>Business Improvement District</u>	<u>Community Development Authority</u>	<u>Totals</u>
OPERATING REVENUES			
Taxes	\$ 125,560	\$ -	\$ 125,560
OPERATING EXPENSES			
Current			
Conservation and development	150,295	-	150,295
Depreciation	1,517	-	1,517
Total Operating Expenses	<u>151,812</u>	<u>-</u>	<u>151,812</u>
Operating Loss	<u>(26,252)</u>	<u>-</u>	<u>(26,252)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	21	1,477,606	1,477,627
Interest expense	<u>-</u>	<u>(1,477,606)</u>	<u>(1,477,606)</u>
Total Nonoperating Revenues (Expenses)	<u>21</u>	<u>-</u>	<u>21</u>
Net Change in Net Position	(26,231)	-	(26,231)
TOTAL NET POSITION - Beginning	<u>40,558</u>	<u>-</u>	<u>40,558</u>
TOTAL NET POSITION - ENDING	<u>\$ 14,327</u>	<u>\$ -</u>	<u>\$ 14,327</u>

See accompanying notes to financial statements.

CITY OF NEENAH

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CITY OF NEENAH

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CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Neenah, Wisconsin (“City”) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity’s financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization’s governing body and is able to impose its will on that organization; (2) it appoints a voting majority of the organization’s governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government; (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government, or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or had the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and its component unit have substantively the same governing body and a financial benefit or burden relationship exists; (2) the primary government and the component unit have substantially the same governing body and management of the primary government has operational responsibility for the component unit; (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens; or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

City of Neenah Business Improvement District

The financial statements include the City of Neenah Business Improvement District (“BID”) as a component unit. The BID is a legally separate organization. The district was created under the provisions of Wisconsin Statute Section 66.1109. The district, created in 2001, is a separate governmental entity with a separate 11 member board appointed by the mayor subject to common council confirmation. The members serve staggered terms as designated by the City Council. A majority of the members own or occupy real property in the district. The district has its own budgetary authority and assessment capabilities. Wisconsin statutes provide for circumstances whereby the City can impose their will on the BID, and also create a potential financial benefit or burden on the City. See Note IV.J. As a component unit, the district’s financial statements are shown as one discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2013. Separate financial statements may be obtained from the district’s office at 135 West Wisconsin, Neenah, Wisconsin 54957.

Neenah Community Development Authority

The government-wide financial statements include the Neenah Community Development Authority (“Authority”) as a component unit. The Authority is a legally separate organization. The board of the Authority is appointed by the mayor of Neenah. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the Authority, and also create a potential financial benefit to or burden on the City. See Note IV.J. As a component unit, the Authority’s financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2013. Separate financial statements of the Neenah Community Development Authority are not issued.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

In March 2012, the GASB issued Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Government-Wide Financial Statements (cont.)

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. The City does not allocate indirect expenses to functions in the statement of activities. 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which are considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Funds are organized as major funds or nonmajor funds within the governmental, proprietary, and fiduciary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds, and agency 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.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The City reports the following major governmental funds:

- General Fund – accounts for the City’s primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Special Revenue – TIF District No. 8 – accounts for resources legally restricted or committed to supporting expenditures of the district.
- Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TIF or enterprise debt.
- Capital Projects – Public Infrastructure – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of infrastructure.
- Capital Projects – TIF District No. 7 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.
- Capital Projects – TIF District No. 8 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

The City reports the following major enterprise funds:

- Water Utility – accounts for operations of the water system
- Sewerage Disposal Utility – accounts for operations of the sewer system
- Stormwater Utility – accounts for operations of the stormwater system

The City reports the following nonmajor governmental and enterprise funds:

- Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).
- TIF District No. 5
- TIF District No. 6
- TIF District No. 7
- Community Development Block Grant
- Housing and Business Loans
- Industrial Development
- Recycling
- Health Grants
- Parks and Recreation
- Dial-A-Ride
- Civic and Social
- Library
- Clock Tower Renovations
- Other
- Cemetery Perpetual Care
- Cemetery Flowers
- Walnut

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Capital Projects Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of equipment and/or major capital facilities.

- TIF District No. 5
- TIF District No. 6
- Redevelopment
Facilities
- Capital Equipment
- Equipment Replacement

Enterprise Fund – used to report any activity for which a fee is charged to external users for goods or services.

- Parking Utility

In addition, the City reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

- Fleet Management
- Benefit Accrual
- Insurance
- Information Systems

Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Advance Tax Collections
- Municipal Court
- Neenah-Menasha Fire Rescue
- Other

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water, sewerage disposal, and stormwater utility funds 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.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and unearned revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time) are met and recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2013, there were \$416,238 of unrecorded anticipated future assessments in the water utility which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The water utility records an annual payment in lieu of taxes (PILOT) expense based on the value of its plant and the current assessment ratio and local and school portion of the mill rate. Municipal utilities are exempt from federal and state income taxes. Taxes include the employer's share of social security and medicare, PSCW remainder assessment, and tax equivalent.

The 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, sewerage disposal, parking and stormwater funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary 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.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures. Additional restrictions may arise from local charters, ordinances, resolutions and grant regulations. City funds invested in the cemetery perpetual care funds or endowment funds, including gifts where principal is to be kept intact, may be invested in specific investment types which prudent persons would not acquire or retain for their own accounts as long as the total investment in common stock does not exceed 50% of the total market value of the fund.

The City believes it is in compliance with all restrictions.

As described in Note IV.A., the City is exposed to the following deposit and investment risks: custodial credit risk (deposits and investments), credit risk, interest rate risk, and investments highly sensitive to interest rate changes.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The City's investment policy addresses each of these risks in the following manner:

Custodial Credit Risk: Where allowed by state law and in accordance with the GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

Credit Risk: The City of Neenah will minimize credit risk, which is the risk of loss due to failure of the security issuer or backer, by limiting investments to types of securities listed within the policy; pre-qualifying financial institutions, brokers/dealers, intermediaries and advisers, and; 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 of Neenah will 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, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

The policy does not specifically address custodial credit risk for investments or investments highly sensitive to interest rate changes.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables

Property Taxes

Property taxes are levied in December on the assessed value as of the prior January 1. 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 district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities – agency funds.

Property tax calendar – 2013 tax roll:

Lien date and levy date	December 2013
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due	March 31, 2014
Third installment due	May 31, 2014
Fourth installment due	July 31, 2014
Personal property taxes in full	January 31, 2014
Tax sale – 2013 delinquent real estate taxes	October 2016

Uncollectible Accounts

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible utility accounts receivable has been made for the water, sewerage district, and stormwater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant. However, an allowance has been established in the sewerage and stormwater utilities related to other accounts receivable. Refer to Note IV.B.

Interfund Transactions

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Loans

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by all known uncollectible accounts. An allowance of \$71,383 has been established in the housing/business loans fund at year end.

It is the City's policy to record revenue when the initial loan is made from the federal and state grant funds. The net amount of the loan receivable balance is included in restricted fund balance. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

For economic development loans, the City is limited by the Wisconsin Department of Commerce to the amount of program income from economic development loans it may retain and loan to other businesses. Program income includes the principal and interest received from economic development loans repayments. Based upon its current population, the City may retain \$750,000.

At December 31, 2013, the City has not exceeded its maximum retention cap. When it does, a liability to the state will be recorded.

3. Inventories and Prepaid Items

Inventories of the proprietary funds are stated at the lower of cost or market utilizing the average cost method and charged to construction and/or operation and maintenance expense when used. Governmental fund type inventories are recorded as expenditures when consumed rather than when purchased, based on original cost using the FIFO method of accounting.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets

Government –Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$2,000 for utility capital assets, \$5,000 for general and infrastructure capital assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Land Improvements	30 Years
Machinery and Equipment	3-20 Years
Library Collection	2-10 Years
Utility System	4-77 Years
Infrastructure	40-70 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

6. Other Assets

In 2011, the water utility obtained approval from the PSCW to recognize an extraordinary loss related to amounts recorded as plant in service that were not fully depreciated when retired. This loss will be amortized over five years, which started in 2012.

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of the debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund statements.

8. Basis for Existing Rates – Proprietary Funds

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin in November 2010 and placed into effect January 1, 2011.

Sewerage Disposal Utility

Current wastewater rates were approved by the Common Council and effective January 1, 2013.

Stormwater Utility

Current stormwater rates were approved by the Common Council and effective January 1, 2010.

9. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary 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, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2013 are determined on the basis of current salary rates and include salary related payments.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Long-Term Obligations/Conduit Debt

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance for year-end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Ten series of IRB's, issued from 1985 through 2013 are outstanding. At year end, the aggregate principal amount of these issues could not be determined. However, their aggregate original issue amounts totaled \$29,608,000.

11. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future time period and, therefore, will not be recognized as an inflow of resources (revenue) until that future time.

12. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

12. Equity Classifications (cont.)

Government-Wide Statements (cont.)

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

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column. The amount is a reduction of "net investment in capital assets," and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 81,134,838	\$ 46,259,804	\$ (1,235,254)	\$ 126,159,388
Unrestricted (deficit)	(5,474,461)	9,984,282	1,235,254	5,745,075

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The City has adopted a financial policy authorizing the Common Council to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES,
DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

12. Equity Classifications (cont.)

Fund Statements (cont.)

- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note IV.H. for further information.

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND
THE STATEMENT OF NET POSITION**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$64,920,732 difference in liabilities are as follows:

Bonds and notes payable	\$ 39,562,952
Capital lease obligations	22,987,673
Compensated absences	1,506,539
Accrued interest	521,452*
Unamortized debt premiums	419,010
Unamortized loss on advance refunding	(291,690)
Other post-employment benefits	<u>214,796</u>
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$ 64,920,732</u>

* This amount is included in other accrued liabilities on the Statement of Net Position.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, all special revenue funds, excluding the Walnut and Clock Tower Renovations funds, debt service fund, and all capital project funds. The health grants special revenue fund and the redevelopment capital project fund were budgeted; however, they were zero budgets as no activity was anticipated. Therefore, comparative schedules are not presented in supplementary information. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

The following individual funds had an excess of expenditures and other financing uses over appropriations at the legal level of budgetary control for the year ended December 31, 2013.

	Excess
Special Revenue Funds	
TIF District No. 8	\$ 18,615,328
TIF District No. 5	172,400
TIF District No. 6	435,471
TIF District No. 7	741,877
Housing and Business Loans	7,625
Recycling	36,329
Library	11,204
Other	18,767
Debt Service	3,579,543

The City controls expenditures at the cost center level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2013, the following nonmajor individual funds held a deficit balance:

Fund	Amount	Reason
Special Revenue Funds		
TIF District No. 5	\$ 950,282	Costs exceed accumulated increments
TIF District No. 6	736,019	Costs exceed accumulated increments
Community Development Block Grant	22,132	Grants not sufficient to cover expenditures

TIF District deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Other fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

D. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the City's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

E. BOND COVENANT DISCLOSURE

The following information is provided in compliance with the resolution creating the revenue bonds.

Insurance – Water Utility

The water utility is covered under the following insurance policies at December 31, 2013:

Type	Coverage	Expiration Date
<i>Insurance Company of the State of Pennsylvania and The Cities and Villages Mutual Insurance Company</i>		
General Liability	\$ 5,000,000	01/01/2014
Excess Public Liability	8,000,000	01/01/2014
Automobile	10,000,000	01/01/2014
 <i>Local Government Property Insurance Fund</i>		
Property (entire city)	136,081,627	04/04/2014

Refer to Note V.B. for additional insurance information.

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the subsequent year's annual debt service and 1.10 times the highest annual debt service of the bonds for the water and stormwater utility, respectively. The coverage requirement was met for both the water utility and the stormwater utility as follows:

	Water	Stormwater
Operating revenues	\$ 8,343,050	\$ 1,693,528
Investment income	18,797	4,323
Miscellaneous non-operating income	3,607	-
Less: Operation and maintenance expenses	(3,304,263)	(930,045)
Net Defined Earnings	\$ 5,061,191	\$ 767,806
Minimum Required Earnings per Resolution:		
Debt service	\$ 3,023,948	\$ 33,025
Coverage factor	1.25	1.10
Minimum Required Earnings	\$ 3,779,935	\$ 36,328

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

E. BOND COVENANT DISCLOSURE (cont.)

Number of Customers and Billed Volumes – Water Utility

The water utility has the following number of customers and billed volumes for 2013.

	<u>Customers</u>	<u>Sales</u>
	2013	(000 gals) 2013
Residential	9,606	409,851
Commercial	743	181,081
Industrial	89	321,059
Public authority	56	20,810
Totals	<u>10,494</u>	<u>932,801</u>

Utility Budget

The 2013 utility budget was prepared and approved as required by the bond resolutions.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the City's funds.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS (cont.)

The City's cash and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits and cash on hand	\$ 12,597,536	\$ 12,994,074	Custodial credit
Money markets	2,746,276	2,746,276	Custodial credit
U.S. agencies implicitly guaranteed	473,250	473,250	Custodial credit, credit and interest rate
U.S. agencies explicitly guaranteed	5,248,990	5,248,990	Custodial credit, interest rate and highly sensitive to interest rate changes
U.S. treasuries	1,922,362	1,922,362	Custodial credit and interest rate
Corporate bonds and notes	1,281,274	1,281,274	Custodial credit, credit, and interest rate
Common stock	462,222	462,222	Custodial credit
Repurchase agreements	11,827,712	11,827,712	Custodial credit, credit and interest rate
LGIP	5,845,836	5,845,836	Credit
Mutual funds	678,162	678,162	Credit and interest rate
Total Cash and Investments	\$ 43,083,620	\$ 43,480,158	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 20,161,955		
Restricted cash and investments	2,306,532		
Per statement of assets and liabilities			
– Agency Funds	20,615,133		
Total Cash and Investments	\$ 43,083,620		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The City maintains collateral agreements with Associated Bank and Great Bank Trust Company.

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

As of December 31, 2013, \$5,740,354 of the City's total bank balances of \$15,740,350 were exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2013, the City does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2013, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor Service
U.S. Agencies Implicitly Guaranteed		
Federal Home Loan Bank	AA+	Aaa
Corporate Bonds and Notes		
Korea Finance Corporation	AA-	Aa3
Nexen Incorporated	AA-	Aa3
Commonwealth Bank	AA-	Not available
General Electric Cap Corporation	AA+	Not available
Toyota Mtr Credit Corporation	AA-	Aa3
Mutual Funds		
Templeton Institutional Fds Inc Foreign	Not available	Not available
Vanguard Extended Market Index Fd Invest	Not available	Not available
Vanguard Index TR 500 Admiral Shs	Not available	Not available
Repurchase Agreements		
Associated Bank	Not available	Not available
Pennant/Banes	Not available	Not available

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

The City also had investments in the following external pool which is not rated:

LGIP

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2013, the City's investments were as follows:

Specific Investment	Maturity Date	Fair Value
Mutual Funds		
Templeton Institutional Fds Inc Foreign	Not applicable	\$ 49,565
Vanguard Extended Market Index Fd Invest	Not applicable	72,595
Vanguard Index TR 500 Admiral Shs	Not applicable	<u>556,002</u>
Sub-Total – Mutual Funds		<u>678,162</u>
Repurchase Agreements		
Associated Bank	Not applicable	8,827,712
Pennant/Banes	Not applicable	<u>3,000,000</u>
Sub-Total – Repurchase Agreements		<u>11,827,712</u>
Total		<u><u>\$ 12,505,874</u></u>

Investment Type	Fair Value	1-5 Years	5-30 Years
U.S. Agencies Implicitly Guaranteed	\$ 473,250	\$ -	\$ 473,250
U.S. Agencies Explicitly Guaranteed	5,248,990	736,489	4,512,501
U.S. Treasuries	1,922,362	1,584,189	338,173
Corporate Bonds and Notes	<u>1,281,274</u>	<u>251,498</u>	<u>1,029,776</u>
Totals	<u><u>\$ 8,925,876</u></u>	<u><u>\$ 2,572,176</u></u>	<u><u>\$ 6,353,700</u></u>

Investments Highly Sensitive to Interest Rate Charges

At December 31, 2013, \$3,746,172 of the \$6,353,700 reported above had maturity dates beyond ten years classifying them as highly sensitive to interest rate charges.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

All receivable balances are expected to be collected within one year with the exception of \$66,150 in delinquent personal property taxes; \$780,228 in special assessments; and \$642,457 of loans receivable.

Revenues of the sewerage disposal and stormwater utility are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Sewerage Disposal Utility – Uncollectibles related to customer invoices	\$	971
Stormwater Utility – Uncollectible related to customer invoices		<u>458</u>
 Total Uncollectibles of the Current Fiscal Year		 <u><u>\$ 1,429</u></u>

Governmental funds report *unavailable and unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used 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 *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable for subsequent year	\$ -	\$ 19,919,351
Special assessments/special charges not yet due	390,012	-
Unearned revenue: pet licenses, rent	<u>-</u>	<u>30,781</u>
 Total Unavailable/Unearned Revenue for Governmental Funds	 <u><u>\$ 390,012</u></u>	 <u><u>\$ 19,950,132</u></u>

On the statement of net position, \$14,302 of unearned revenue is reported from the internal service funds for total unearned revenue of \$19,964,434.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the business-type activities restricted assets:

Long Term Debt Accounts

- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.
- Depreciation – Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.

The following calculation supports the amount of business-type activities restricted net position:

	<u>2013</u>
Restricted Assets	
Redemption account	\$ 1,069,316
Depreciation account	250,000
Reserve account	987,216
Interest receivable	418
Total Restricted Assets	<u>2,306,950</u>
Less: Restricted Assets Not Funded by Revenues	
Reserve from borrowing	<u>(987,216)</u>
Total Restricted Assets Not Funded by Revenues	1,319,734
Current Liabilities Payable From Restricted Assets	<u>(87,474)</u>
Total Restricted Net Position	<u><u>\$ 1,232,260</u></u>

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 12,643,486	\$ 75,000	\$ -	\$ 12,718,486
Right-of-ways	13,112,194	-	-	13,112,194
Land improvements ⁽¹⁾	10,255,502	40,705	16,709	10,279,498
Construction in progress	12,035	9,500	-	21,535
Total Capital Assets Not Being Depreciated	36,023,217	125,205	16,709	36,131,713
Capital assets being depreciated				
Improvements	10,794,389	452,360	-	11,246,749
Buildings	35,473,323	249,384	-	35,722,707
Equipment, furniture and fixtures	12,623,354	949,327	475,650	13,097,031
Collections (library)	3,536,733	328,755	341,009	3,524,479
Streets	52,405,745	773,397	317,479	52,861,663
Bridges	19,830,071	180,127	-	20,010,198
Street lighting	833,721	-	-	833,721
Traffic signals	1,062,236	79,444	37,301	1,104,379
Sidewalks	5,670,733	15,812	-	5,686,545
Trails	627,301	-	-	627,301
Retaining walls	1,305,001	-	-	1,305,001
Steam tunnel	390,374	-	-	390,374
Total Capital Assets Being Depreciated	144,552,981	3,028,606	1,171,439	146,410,148
Less: Accumulated depreciation for				
Improvements	(3,691,649)	(527,360)	-	(4,219,009)
Buildings	(11,726,989)	(249,384)	-	(11,976,373)
Equipment, furniture and fixtures ⁽²⁾	(7,611,113)	(949,327)	478,601	(8,081,839)
Collections (library)	(3,047,048)	(394,573)	341,009	(3,100,612)
Streets ⁽²⁾	(18,285,402)	(1,057,233)	334,189	(19,008,446)
Bridges	(2,555,307)	(283,287)	-	(2,838,594)
Street lighting	(135,595)	(11,116)	-	(146,711)
Traffic signals	(230,196)	(13,043)	497	(242,742)
Sidewalks	(3,121,872)	(113,731)	-	(3,235,603)
Trails	(170,724)	(15,683)	-	(186,407)
Retaining walls	(52,200)	(26,100)	-	(78,300)
Steam tunnel	(29,278)	(9,759)	-	(39,037)
Total Accumulated Depreciation	(50,657,373)	(3,650,596)	1,154,296	(53,153,673)
Capital Assets, Net of Depreciation	\$ 129,918,825			\$ 129,388,188

⁽¹⁾ This represents the nondepreciable portion of City streets.

⁽²⁾ The accumulated depreciation deleted for equipment, furniture and fixtures, and streets exceeds the capital assets for the same category being deleted due to minor adjustments in values at year end.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Governmental Activities (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 364,088
Public safety	116,323
Public works, which includes the depreciation of infrastructure	2,228,271
Parks, recreation, and education	<u>941,914</u>
Total Governmental Activities Depreciation Expense	<u>\$ 3,650,596</u>

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water Utility</u>				
Capital assets not being depreciated				
Land and land rights	\$ 122,180	\$ -	\$ -	\$ 122,180
Capital assets being depreciated				
Source of supply	130,978	-	-	130,978
Pumping	3,384,153	-	-	3,384,153
Treatment	23,848,486	-	-	23,848,486
Transmission and distribution	29,480,178	1,097,100	309,725	30,267,553
Administrative and general assets	<u>2,063,259</u>	<u>-</u>	<u>-</u>	<u>2,063,259</u>
Total Capital Assets Being Depreciated	<u>58,907,054</u>	<u>1,097,100</u>	<u>309,725</u>	<u>59,694,429</u>
Less: Accumulated depreciation for				
Source of supply	(128,371)	(2,227)	-	(130,598)
Pumping	(862,403)	(107,733)	-	(970,136)
Treatment ⁽³⁾	(6,010,195)	(805,842)	162	(6,815,875)
Transmission and distribution	(3,700,993)	(599,002)	309,725	(3,990,270)
Administrative and general assets	<u>(1,271,420)</u>	<u>(164,601)</u>	<u>-</u>	<u>(1,436,021)</u>
Total Accumulated Depreciation	<u>(11,973,382)</u>	<u>(1,679,405)</u>	<u>309,887</u>	<u>(13,342,900)</u>
Capital Assets, Net of Depreciation	<u>\$ 47,055,852</u>			<u>\$ 46,473,709</u>

⁽³⁾ The accumulated depreciation deleted for treatment exceeds the capital assets for the same category being deleted due to minor adjustments in values at year end.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewerage Disposal Utility</u>				
Capital assets being depreciated				
Collection system	\$ 23,757,531	\$ 963,668	\$ 32,000	\$ 24,689,199
Collection system pumping	808,009	5,099	2,000	811,108
Flow meters	-	11,315	-	11,315
Computer software	10,359	-	-	10,359
Total Capital Assets				
Being Depreciated	<u>24,575,899</u>	<u>980,082</u>	<u>34,000</u>	<u>25,521,981</u>
Less: Accumulated depreciation for				
Collection system	(8,040,560)	(341,828)	32,000	(8,350,388)
Collection system pumping	(290,508)	(10,382)	2,000	(298,890)
Flow meters	-	(566)	-	(566)
Computer software	(6,475)	(2,590)	-	(9,065)
Total Accumulated Depreciation	<u>(8,337,543)</u>	<u>(355,366)</u>	<u>34,000</u>	<u>(8,658,909)</u>
Capital Assets, Net of Depreciation	<u>\$ 16,238,356</u>			<u>\$ 16,863,072</u>
<u>Stormwater Utility</u>				
Capital assets not being depreciated				
Detention ponds	\$ 3,400,156	\$ -	\$ -	\$ 3,400,156
Capital assets being depreciated				
Collection system	13,539,629	103,500	5,646	13,637,483
Detention basins	3,945,550	-	932	3,944,618
Detention pond equipment	113,052	-	-	113,052
Computer software	10,358	-	-	10,358
Total Capital Assets				
Being Depreciated	<u>17,608,589</u>	<u>103,500</u>	<u>6,578</u>	<u>17,705,511</u>
Less: Accumulated depreciation for				
Collection system	(3,790,195)	(169,941)	5,646	(3,954,490)
Detention basins	(1,638,675)	(49,313)	932	(1,687,056)
Detention pond equipment	(91,641)	(11,305)	-	(102,946)
Computer software	(6,475)	(2,589)	-	(9,064)
Total Accumulated Depreciation	<u>(5,526,986)</u>	<u>(233,148)</u>	<u>6,578</u>	<u>(5,753,556)</u>
Capital Assets, Net of Depreciation	<u>\$ 15,481,759</u>			<u>\$ 15,352,111</u>

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Parking Utility</u>				
Capital assets not being depreciated				
Land and land rights	\$ 158,267	\$ -	\$ -	\$ 158,267
Capital assets being depreciated				
Land improvements	26,717	-	-	26,717
Administrative and general assets	74,392	-	-	74,392
Total Capital Assets Being Depreciated	101,109	-	-	101,109
Less: Accumulated depreciation for				
Land improvements	(26,717)	-	-	(26,717)
Administrative and general assets	(60,194)	(728)	-	(60,922)
Total Accumulated Depreciation	(86,911)	(728)	-	(87,639)
Capital Assets, Net of Depreciation	\$ 172,465			\$ 171,737
Total Business-type Activities	\$ 78,948,432			\$ 78,860,629

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 1,558,628
Sewerage disposal	355,366
Stormwater	233,148
Parking	728
Total Business-type Activities Depreciation Expense	\$ 2,147,870

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise fund – water utility	\$ 1,093,330
Enterprise – sewerage disposal utility	General	30,267
Capital projects – public infrastructure	Internal service – information systems	9,000
Internal service – benefit accrual	Special revenue – other	<u>2,100</u>
Sub-Total – Fund Financial Statements		1,134,697
Less: Elimination to government-wide statements		<u>(71,634)</u>
Total – Government-Wide Financial Statements		<u>\$ 1,063,063</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 1,093,330
Less: Business-type activities	Governmental activities	<u>(30,267)</u>
Total Internal Balances – Government-Wide Financial Statements		<u>\$ 1,063,063</u>

All of these amounts are due within one year.

The principal purpose of these interfunds is the PILOT due from the water utility to the general fund in the amount of \$1,093,330 and tax roll items.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Capital projects – public infrastructure	Special revenue – TIF District No. 5	\$ 891,000	\$ 891,000
Capital projects – TIF District No. 7	Capital projects – TIF District No. 8	950,000	950,000
Capital projects – TIF District No. 6	Special revenue – TIF District No. 6	274,000	274,000
Capital projects – TIF District No. 5	Special revenue – TIF District No. 6	63,000	63,000
Capital projects – TIF District No. 5	Special revenue – TIF District No. 5	60,000	60,000
Special revenue – TIF District No. 7	Special revenue – TIF District No. 6	400,000	400,000
Internal service – benefit accrual	Special revenue – TIF District No. 8	3,146,000	3,146,000
Debt service	Special revenue – TIF District No. 8	1,166,500	1,166,500
Debt service	Capital projects – TIF District No. 8	<u>246,000</u>	<u>246,000</u>
Sub-Totals – Fund Financial Statements		7,196,500	<u>\$ 7,196,500</u>
Less: Eliminations		<u>(7,196,500)</u>	
Total – Government-Wide Financial Statements		<u>\$ -</u>	

The principal purpose of the advances is due to expenditures exceeding revenues. No repayment schedules have been established.

For the statement of net position, advance balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Special revenue – dial-a-ride	\$ 12,000	Operating subsidy
Special Revenue			
TIF District No. 5	General fund	62,708	Administrative and finance costs
TIF District No. 5	Debt service	113,360	Debt service
TIF District No. 6	General fund	47,483	Administrative and finance costs
TIF District No. 6	Debt service	254,255	Debt service
TIF District No. 7	General fund	79,100	Administrative and finance costs
TIF District No. 7	Debt service	1,269,718	Debt service
TIF District No. 8	General fund	84,238	Administrative and finance costs
TIF District No. 8	Debt service	681,385	Debt service

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers (cont.)

Fund Transferred From	Fund Transferred To	Amount	Principal Purpose
Special Revenue (cont.)			
Community development block grant	General fund	\$ 17,534	Administrative charge
Community development block grant	Housing/business loans	15,787	Administrative charge
Housing/business loans	General fund	45,000	Administrative charge
Industrial development	General fund	10,000	Operating subsidy as budgeted
Recycling	General fund	52,420	Administrative charge
Other	General fund	12,343	K9 unit funds
Cemetery perpetual care	General fund	16,738	Interest
Enterprise			
Water utility	General fund	1,125,604	PILOT and interest
Sewerage disposal utility	General fund	666,202	2013 expenditures, interest, and administrative costs
Stormwater utility	General fund	371,113	City and public works support overhead
Parking utility	General fund	124,804	Administrative charges
Internal Service			
Fleet management	General fund	54,497	Accumulated reserves
Benefit accrual	General fund	250,000	Budgeted transfer
Information systems	General fund	61,909	Excess funds
Capital Projects			
Capital equipment	General fund	185,290	To cover capital costs
Equipment replacement	Capital equipment	<u>2,851</u>	To cover capital costs
Sub-Total – Fund Financial Statements		5,616,339	
Less: Fund Eliminations		<u>(3,328,616)</u>	
Total Transfers – Government-wide Statement of Activities		<u>\$ 2,287,723</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt					
General	\$ 39,273,910	\$ 10,942,826	\$ 10,653,784	\$ 39,562,952	\$ 4,081,060
Premiums	19,120	365,525	44,578	340,067	-
Sub-Totals	<u>39,293,030</u>	<u>11,308,351</u>	<u>10,698,362</u>	<u>39,903,019</u>	<u>4,081,060</u>
Other Liabilities					
Vested compensated absences					
General	2,076,469	618,982	1,188,912	1,506,539	376,635
Internal service	2,061,302	893,874	711,810	2,243,366	876,667
Other post-employment benefits					
General	167,480	47,316	-	214,796	-
Internal service	10,848	3,602	-	14,450	-
Capital leases	22,425,000	16,777,673	16,215,000	22,987,673	443,531
Premiums on capital leases	84,210	-	5,267	78,943	-
Total Other Liabilities	<u>26,825,309</u>	<u>18,341,447</u>	<u>18,120,989</u>	<u>27,045,767</u>	<u>1,696,833</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 66,118,339</u>	<u>\$ 29,649,798</u>	<u>\$ 28,819,351</u>	<u>\$ 66,948,786</u>	<u>\$ 5,777,893</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt	\$ 8,181,034	\$ 2,902,174	\$ 2,682,778	\$ 8,400,430	\$ 1,169,097
Revenue bonds	27,574,677	13,165,219	6,019,694	34,720,202	2,831,908
Premiums	152,457	174,984	30,999	296,442	-
Sub-Totals	<u>35,908,168</u>	<u>16,242,377</u>	<u>8,733,471</u>	<u>43,417,074</u>	<u>4,001,005</u>
Other Liabilities:					
Vested compensated absences	175,826	47,737	81,222	142,341	17,784
Other post-employment benefits	30,985	7,955	-	38,940	-
Total Other Liabilities	<u>206,811</u>	<u>55,692</u>	<u>81,222</u>	<u>181,281</u>	<u>17,784</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 36,114,979</u>	<u>\$ 16,298,069</u>	<u>\$ 8,814,693</u>	<u>\$ 43,598,355</u>	<u>\$ 4,018,789</u>

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies. The purpose for which all general obligation debt was issued is capital related.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2013, was \$92,645,375. Total general obligation debt outstanding at year end was \$47,963,382.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-13
Governmental Activities					
General Obligation Debt					
General Obligation Refunding Bonds 2013	03/01/13	03/01/20	2.00 - 3.00%	\$ 6,147,826	\$ 6,147,826
General Obligation Promissory Notes 2013	06/05/13	03/01/23	1.50 - 2.50%	3,765,000	3,765,000
General Obligation Taxable Refunding Bonds 2013	12/02/13	03/01/24	0.65 - 3.85%	1,030,000	1,030,000
General Obligation Promissory Notes, Series 2012A	06/27/12	03/01/22	1.25 - 2.00%	2,565,000	2,565,000
General Obligation Community Development Bonds, Series 2012B	06/27/12	03/01/31	2.75 - 3.30%	1,635,000	1,635,000
General Obligation Refunding Bonds, Series 2012C	12/03/12	03/01/26	2.00%	4,186,092	4,131,093
General Obligation Promissory Notes, Series 2011	01/26/11	09/01/20	1.50 - 2.90%	3,335,000	3,025,000
General Obligation Promissory Notes, Series 2010A	01/26/10	03/01/19	2.00 - 3.50%	1,965,000	1,510,000
General Obligation Community Development Bonds, Series 2010B	01/26/10	03/01/29	3.25 - 4.25%	2,315,000	2,315,000
General Obligation Promissory Notes, Series 2009A	06/10/09	03/01/19	2.00 - 4.00%	700,000	555,000
General Obligation Community Development Bonds, Series 2009B	06/10/09	03/01/29	4.00 - 4.40%	2,590,000	2,590,000
General Obligation Refunding Bonds, Series 2009C	12/02/09	03/01/18	2.00 - 3.50%	3,830,314	1,845,000
General Obligation Promissory Notes, Series 2008A	05/28/08	03/01/18	3.25 - 4.00%	3,731,000	769,936
General Obligation Promissory Notes, Series 2007A	06/01/07	03/01/17	3.875%	2,024,640	261,440
General Obligation Promissory Notes, Series 2007B	06/01/07	03/01/21	3.875%	2,820,000	2,290,000
General Obligation Community Development Bonds, Series 2006A	05/17/06	09/01/26	4.25 - 4.75%	7,175,000	1,290,000

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-13</u>
Governmental Activities General Obligation Debt (cont.)					
General Obligation Community Development Bonds, Series 2005A	05/03/05	03/01/25	3.00 - 4.50%	\$ 5,235,000	\$ 960,002
General Obligation Community Development Bonds, Series 2004C	06/01/04	03/01/23	4.00 - 5.00%	2,225,000	1,810,000
General Obligation Promissory Notes, Series 2004D	06/01/04	03/01/14	4.00 - 4.35%	970,000	110,000
State Trust Fund Loan	11/10/04	03/15/24	5.00%	1,370,836	<u>957,655</u>
Total Governmental Activities – General Obligation Debt					<u>\$ 39,562,952</u>
General Obligation Refunding Bonds, Series 2013	03/01/13	09/01/20	2.00 - 3.00%	\$ 1,397,174	\$ 1,397,174
General Obligation Promissory Note, Series 2013	06/05/13	03/01/20	1.50 - 2.00%	1,505,000	1,505,000
General Obligation Refunding Bonds, Series 2012C	12/03/12	03/01/26	2.00%	223,908	223,908
General Obligation Promissory Note, Series 2012	06/27/12	03/01/22	1.25 – 2.00%	1,390,000	1,265,000
General Obligation Promissory Notes, Series 2011	01/26/11	09/01/20	1.50 - 2.90%	1,660,000	1,350,000
General Obligation Promissory Notes, Series 2010	01/26/10	03/01/19	2.00 - 3.50%	810,000	570,000
Clean Water Fund General Obligation Debt	05/12/10	05/01/30	2.20%	411,652	360,725(1)
General Obligation Promissory Notes, Series 2009A	06/10/09	03/01/19	2.00 - 4.00%	2,015,000	1,295,000
General Obligation Promissory Note, Series 2008A	05/28/08	03/01/18	3.250%	1,284,000	265,063
General Obligation Promissory Note, Series 2007A	06/01/07	03/01/17	3.875%	1,305,360	<u>168,560</u>
Total Business-type Activities General Obligation Debt					<u>\$ 8,400,430</u>

(1) During 2010, the sewer utility was authorized to issue \$521,043 of Sewer System Clean Water Fund General Obligation Bonds. The original amount reported above has been issued as of December 31, 2013. The repayment schedule is for the amount issued.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt			Business-type Activities General Obligation Debt		
	Principal	Interest	Totals	Principal	Interest	Totals
2014	\$ 4,081,060	\$ 1,119,173	\$ 5,200,233	\$ 1,169,097	\$ 191,311	\$ 1,360,407
2015	4,091,514	993,331	5,084,845	1,212,402	156,486	1,368,888
2016	4,314,062	878,861	5,192,923	1,243,681	129,532	1,373,213
2017	4,459,347	763,575	5,222,922	1,252,626	102,003	1,354,629
2018	4,411,766	640,377	5,052,143	1,104,526	73,220	1,177,746
2019-2023	13,390,399	1,712,501	15,102,900	2,253,272	111,905	2,365,177
2024-2028	3,954,804	466,962	4,421,766	115,144	11,908	127,052
2029-2031	860,000	29,772	889,772	49,682	1,099	50,782
Totals	<u>\$ 39,562,952</u>	<u>\$ 6,604,552</u>	<u>\$ 46,167,504</u>	<u>\$ 8,400,430</u>	<u>\$ 777,464</u>	<u>\$ 9,177,894</u>

Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the water and stormwater utilities.

The water utility has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued between 2004-2013. Proceeds from the bonds provided financing for the water utility. The bonds are payable solely from sales revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 26% of gross revenues on average. The total principal and interest remaining to be paid on the bonds is \$28,181,893. Principal and interest paid for the current year and total customer gross revenues were \$3,015,008, not including payment of the refunded debt, and \$8,365,454, respectively.

All revenue debt was issued for capital related purposes.

All stormwater utility revenues net of specified operating expenses are pledged as security to the revenue bonds until the bonds are defeased. Principal and interest paid for 2013 was \$33,025. Total customer gross revenues as defined for the same period were \$1,697,851. Annual principal and interest payments are expected to require 2% of gross revenues on average.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2013 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-13
<i>Business-type Activities Revenue Debt</i>					
<u>Water Utility</u>					
Water Utility Revenue Refunding Bonds 2013	12/02/13	12/01/21	2.00-2.50%	\$ 3,545,000	\$ 3,545,000
Water Utility Revenue Advance Refunding Bonds 2012	09/26/12	12/01/21	2.12%	1,350,000	1,100,000
Water Utility Revenue Bonds 2007	06/01/07	12/01/26	4.00-4.125%	2,345,000	1,710,000
Water Utility Revenue Bonds 2006	01/25/06	05/01/25	2.365%	8,788,354	6,279,392
Water Utility Revenue Bonds 2005	04/27/05	05/01/24	2.365%	16,666,667	10,621,717
Water Utility Revenue Advance Refunding Bonds 2004	11/15/04	12/01/17	2.50-3.90%	4,210,000	1,430,000
<u>Sewerage Disposal Utility</u>					
Sewer System 2013 Clean Water Fund Loan (2)	02/13/13	05/01/32	2.65%	9,620,219	9,620,219
<u>Stormwater Utility</u>					
Stormwater System Revenue Bonds, Series 2009	12/09/09	05/01/29	3.15%	471,087	413,874 (3)
Total Business-type Activities Revenue Debt				\$ 34,720,202	

- (2) The proceeds of the Sewer Utility's 2013 Sewer Clean Water Fund Loan were paid directly to the Neenah-Menasha Sewerage Commission for expansion of the regional plant. Principal and interest payments on this debt will be paid by the Neenah-Menasha Sewerage Commission under an agency agreement. The debt service is recovered by Neenah-Menasha Sewerage Commission as part of its annual use charges. The resulting "due from other governments" and "revenue bonds" of a like amount has been recorded by the City of Neenah Sewer Utility and will be reduced as payments are made.
- (3) During 2009, the stormwater utility was authorized to issue \$595,374 of Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2013. The repayment schedule is for the amount issued.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2014	\$ 2,831,908	\$ 868,296	\$ 3,700,204
2015	2,959,143	795,230	3,754,373
2016	2,732,407	717,830	3,450,237
2017	2,811,732	647,491	3,459,223
2018	2,597,142	574,668	3,171,810
2019-2023	12,716,720	1,883,883	14,600,603
2024-2028	5,599,295	604,221	6,203,516
2029-2032	2,471,855	131,716	2,603,571
Totals	<u>\$ 34,720,202</u>	<u>\$ 6,223,335</u>	<u>\$ 40,943,537</u>

Capital Leases

Refer to Note IV.G.

Other Debt Information

Estimated payments of compensated absences and other post-employment benefits obligations are not included in the debt service requirement schedules. The compensated absences liability and other post-employment benefits obligations attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the City's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

Advance Refundings

On March 1, 2013, the City issued \$7,545,000 (\$6,147,826 City, \$575,332 sewerage disposal utility and \$821,842 stormwater utility) in 2013 general obligation refunding bonds with an average interest rate of 2.5% to advance refund \$840,000 and \$660,000 of outstanding 2005B and 2006B bonds, respectively, with an average interest rate of 3.7% and 4.2%, respectively, and to partially advance refund \$1,870,000, \$1,400,000 and \$2,640,000 of outstanding 2006A, 2007A and 2008A bonds, respectively, with an average interest rate of 4.5%, 3.9% and 3.9%, respectively. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Advance Refundings (cont.)

The cash flow requirements on the refunded bonds and notes prior to the advance refunding was \$11,530,160 from 2013 through 2020. The cash flow requirements on the 2013 refunding bonds are \$11,185,831 from 2013 through 2020. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$268,101.

Current Refundings

On December 2, 2013, the City issued \$1,030,000 in 2013 taxable general obligation refunding bonds with an average interest rate of 3.1% to current refund \$957,656 of outstanding 2004 State Trust Fund Loan with an average interest rate of 4.5%.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$1,268,407 from 2014 through 2024. The cash flow requirements on the 2013 refunding bonds are \$1,203,129 from 2014 through 2024. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$56,409.

On December 2, 2013, the water utility issued bonds in the amount of \$3,545,000 with an average interest rate of 2.13% to refund \$3,965,000 of outstanding 2003 bonds with an average interest rate of 3.46%. The net proceeds of \$3,579,255 (after payment of \$69,112 in underwriting fees, and other issuance costs) were used to prepay the outstanding debt service requirements on the bonds.

The cash flow requirements on the 2003 bonds prior to the current refunding was \$4,449,525 from December 2, 2013 through 2022. The cash flow requirements on the new bonds are \$3,909,940 from 2013 through 2021. The current refunding resulted in an economic gain of \$290,011.

Prior-Year Defeasance of Debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of 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. At December 31, 2013, \$3,080,000 of bonds outstanding are considered defeased.

<u>Call Date</u>	<u>Amount</u>
03/01/15	\$1,255,000
03/01/16	1,825,000

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessee – Capital Leases

In 2004 and 2008, the CDA borrowed \$16,190,000 and \$6,285,000, respectively, in lease revenue bonds. On September 10, 2013, the CDA issued \$17,620,000 to advance refund the 2004 lease revenue bonds. The funds from the 2004 and 2008 issues were used for the construction of TIF No. 8 projects as part of a capital lease agreement. The annual lease payments to be paid will be the same as the CDA’s annual debt service payments on the lease revenue bonds (See Note IV.J.). The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2013, are as follows:

	Governmental Activities		
	Principal	Interest	Totals
2014	\$ 443,531	\$ 843,080	\$ 1,286,611
2015	453,531	832,121	1,285,652
2016	463,531	819,752	1,283,283
2017	888,531	806,033	1,694,564
2018	988,531	785,352	1,773,883
2019-2023	6,227,656	3,524,595	9,752,251
2024-2028	11,377,362	2,091,606	13,468,968
2029-2032	2,145,000	260,775	2,405,775
Totals	\$ 22,987,673	\$ 9,963,314	\$ 32,950,987

Lessee – Operating Leases

The City has no material operating leases with a remaining noncancellable term, exceeding one year.

Lessor – Capital Leases

The City has no material outstanding sales-type or direct financing leases.

Lessor – Operating Leases

The City does not receive material lease payments from property rented to others.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2013 includes the following:

Governmental Activities

Net investment in capital assets		
Land	\$	12,718,486
Right-of-way		13,112,194
Land improvements		10,279,498
Construction in progress		21,535
Other capital assets, net of accumulated depreciation		93,256,475
Less: Related long-term debt outstanding, premium, discount, and loss on refunding	\$ (50,571,742)	
Add: Unspent debt proceeds	<u>2,318,392</u>	<u>(48,253,350)</u>
Total Net Investment in Capital Assets		<u>81,134,838</u>
Restricted		
Debt service		695,316
Loans		935,013
Grant programs		120,188
Library		1,111,677
Cemetery		<u>1,260,683</u>
Total Restricted		<u>4,122,877</u>
Unrestricted (deficit)		<u>(5,474,461)</u>
Total Governmental Activities Net Position		<u>\$ 79,783,254</u>

Governmental fund balances reported on the fund financial statements at December 31, 2013 include the following:

Nonspendable

Major Funds

General Fund

Delinquent personal property taxes	\$	66,150
Inventories		2,258
Prepaid items		<u>31,849</u>
Total	\$	<u>100,257</u>

Capital Projects – Public Infrastructure
Noncurrent receivables/advances

\$ 891,000

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Restricted

Major Funds

Debt Service	\$ 1,845,460
Capital Projects – TIF District No. 7	\$ 1,015,038
Capital Projects – TIF District No. 8	\$ 1,124,705

Assigned

Major Funds

General Fund

Library operations	\$ 60,666
Carryforwards	13,755
Total	\$ 74,421

Capital Projects – Public Infrastructure
Capital projects

\$ 3,220,597

Unassigned (deficit)

Major Funds

General Fund

Special Revenue – TIF District No. 8

\$ 3,782,035

\$ (4,311,104)

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Nonmajor Funds – Details of Fund Balance	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned (Deficit)</u>
Special Revenue Funds					
TIF District No. 5	\$ -	\$ -	\$ -	\$ -	\$ (950,282)
TIF District No. 6	-	-	-	-	(736,019)
TIF District No. 7	-	419,378	-	-	-
Community Development Block Grant	-	-	-	-	(22,132)
Housing/business loans	-	935,013	-	-	-
Industrial development	-	-	19,564	-	-
Recycling	-	-	305,882	-	-
Health grants	-	120,188	-	-	-
Parks and recreation	900	-	352,901	-	-
Dial-A-Ride	-	-	21,283	-	-
Civic and social	-	-	112,068	-	-
Library	329	1,111,348	-	-	-
Clock tower renovations	-	25	-	-	-
Other	-	-	145,080	-	-
Cemetery perpetual care	-	1,260,683	-	-	-
Cemetery flowers	-	-	178,118	-	-
Walnut	-	-	561	-	-
Sub-Total – Special Revenue Funds	<u>1,229</u>	<u>3,846,635</u>	<u>1,135,457</u>	<u>-</u>	<u>(1,708,433)</u>
Capital Projects Fund					
TIF District No. 5	-	218,554	-	-	-
TIF District No. 6	-	267,623	-	-	-
Redevelopment	-	-	-	16,767	-
Facilities	-	-	-	73,811	-
Capital equipment	-	-	-	564,239	-
Equipment replacement	-	-	-	244,510	-
Sub-Total – Capital Projects Funds	<u>-</u>	<u>486,177</u>	<u>-</u>	<u>899,327</u>	<u>-</u>
Totals	<u>\$ 1,229</u>	<u>\$ 4,332,812</u>	<u>\$ 1,135,457</u>	<u>\$ 899,327</u>	<u>\$ (1,708,433)</u>

Nonspendable for:
Prepaid items

\$ 1,229

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. BUSINESS-TYPE ACTIVITIES/NET POSITION

The following calculation supports the enterprise fund net investment in capital assets:

	Water	Sewerage Disposal Utility	Stormwater Utility	Other Enterprise Funds
Plant in service	\$ 59,816,609	\$ 25,521,981	\$ 21,105,667	\$ 259,376
Accumulated depreciation	(13,342,900)	(8,658,909)	(5,753,556)	(87,639)
Sub-Totals	46,473,709	16,863,072	15,352,111	171,737
Less: Capital related debt				
Current portion of long-term debt	2,415,418	766,122	423,261	-
Long-term portion of debt	22,270,691	5,078,606	2,546,315	-
Unamortized loss on advance refunding	(126,508)	(32,583)	(49,723)	-
Unamortized premiums	160,669	74,924	60,849	-
Sub-Totals	24,720,270	5,887,069	2,980,702	-
Add: Unspent Debt Proceeds				
Reserve from borrowing	987,216	-	-	-
Total Net Investment in Capital Assets	\$ 22,740,655	\$ 10,976,003	\$ 12,371,409	\$ 171,737

J. COMPONENT UNITS

City of Neenah Business Improvement District

This report contains the City of Neenah Business Improvement District (“BID”) which is included as a component unit. Financial information is presented in the discrete column on the combining statement of net position and statement of changes in net position.

In addition to the financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The BID prepares its financial statements in accordance with generally accepted accounting principles. The accounting records are kept on the accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

The district invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2). A separate investment policy does not exist.

At year end, the BID did not report any investments.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNITS (cont.)

City of Neenah Business Improvement District (cont.)

b. Deposits and Investments (cont.)

The BID's cash at year end was comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 23,428	\$ 23,428	Custodial credit
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 23,428		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities.

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the BID's deposits may not be returned to the BID.

The BID does not have any deposits exposed to custodial credit risk.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNITS (cont.)

City of Neenah Business Improvement District (cont.)

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Capital assets being depreciated					
Land improvements	\$ 11,000	\$ -	\$ -	\$ 11,000	20
Machinery and equipment	14,500	-	-	14,500	15
Total Capital Assets	25,500	-	-	25,500	
Less: Accumulated depreciation for					
Land improvements	(3,850)	(550)	-	(4,400)	
Machinery and equipment	(5,801)	(967)	-	(6,768)	
Total Accumulated Depreciation	(9,651)	(1,517)	-	(11,168)	
Net Capital Assets Being Depreciated	\$ 15,849			\$ 14,332	

Community Development Authority

This report contains the Community Development Authority (CDA), which is included as a component unit. Financial information is presented in the discrete column in the combining statement of net position and statement of changes in net position.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA prepares its financial statements in accordance with generally accepted accounting principles. The accounting records are kept on the accrual basis of accounting and the flow of economic resources measurement focus.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNITS (cont.)

Community Development Authority (cont.)

b. Deposits and Investments

A separate investment policy does not exist for the CDA.

The Community Development Authority’s deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balance	Associated Risks
Money market	<u>\$ 2,331,786</u>	<u>\$ 2,331,786</u>	Custodial credit
Reconciliation to financial statements			
Per statement of net position			
Restricted cash and investments	<u>\$ 2,331,786</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the amounts covered by insurance above.

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the Community Development Authority’s deposits may not be returned to the Community Development Authority.

As of December 31, 2013, none of the CDA’s total bank balances of \$2,331,786 were exposed to custodial credit risk.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNITS (cont.)

Community Development Authority (cont.)

c. Long-Term Obligations

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
2004 community development lease revenue bonds dated December 15, 2004 with interest at 4.000-4.963%. Principal payments vary. Bonds mature December 1, 2028.	\$ 16,190,000	\$ -	\$ 16,190,000	\$ -
2008 community development lease revenue bonds dated September 17, 2008 with interest at 2.40-4.75%. Principal payments vary. Bonds mature December 1, 2032.	6,235,000	-	25,000	6,210,000
2013 community development lease revenue bonds dated September 10, 2013 with interest at 0.45-4.20%. Principal payments vary. Bonds mature December 1, 2028.		17,620,000	-	17,620,000
Totals	<u>\$ 22,425,000</u>	<u>\$ 17,620,000</u>	<u>\$ 16,215,000</u>	<u>\$ 23,830,000</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2014	\$ 500,000	\$ 843,080	\$ 1,343,080
2015	510,000	832,121	1,342,121
2016	520,000	819,752	1,339,752
2017	945,000	806,033	1,751,033
2018	1,045,000	785,352	1,830,352
2019-2023	6,510,000	3,524,595	10,034,595
2024-2028	11,655,000	2,091,606	13,746,606
2029-2032	2,145,000	260,775	2,405,775
Totals	<u>\$ 23,830,000</u>	<u>\$ 9,963,314</u>	<u>\$ 33,793,314</u>

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNITS (cont.)

Community Development Authority (cont.)

c. Long-Term Obligations (cont.)

Advance Refunding

On September 10, 2013, the CDA issued \$17,620,000 in 2013 lease revenue refunding bonds with an average interest rate of 3.6% to advance refund \$16,190,000 of outstanding 2004 lease revenue bonds with an average interest rate of 4.5%. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds and notes prior to the advance refunding was \$25,016,321 from 2013 through 2028. The cash flow requirements on the 2013 refunding bonds are \$24,372,321 from 2013 through 2028. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$445,368.

d. Lease Disclosures

The CDA has entered into a lease agreement with Plexus, Corp. for the use of land and land improvements. The term of the lease is ninety-nine (99) years and went into effect April 28, 2009. Rent is \$1 per year and interest is not being charged. The cost of the land and land improvements is being reported as land held for resale in the governmental activities column at a value of \$773,000 as it was purchased by TIF No. 8.

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	16.35%
Protective without Social Security	6.65%	18.95%

The payroll for City employees covered by WRS for the year ended December 31, 2013 was \$13,177,982; the employer's total payroll was \$15,161,979. The total required contribution for the year ended December 31, 2013 was \$2,425,744 or 18.4 percent of covered payroll. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ending December 31, 2012 and 2011 were \$2,171,215 and \$1,682,045, respectively, equal to the required contributions for each year.

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

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are 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.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Private Pension Plan

In addition to the above, the State of Wisconsin administers a cost-sharing, multiple-employer plan for two retired employees of the City police and fire departments. These individuals were covered by a private pension plan prior to the City joining the Wisconsin Retirement System. No new employees are added to the plan. The City's policy is to fund retirement contributions to meet current benefit payments of retired employees. The City of Neenah contributed \$14,920. Total contributions for the years outstanding December 31, 2012 and 2011 were \$14,920 and \$15,822, respectively. Based on the current computation, the total estimated future cost to the City for this plan was approximately \$86,958 as of December 31, 2013, all of which relates to prior service. The estimated remaining period of amortization is four years. This is included in the annual financial report issued by the Department of Employee Trust Fund. This report can be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7391, Madison, WI 53707-7931.

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participates in a public entity risk pool to provide coverage for losses from theft of, damage to, or destruction of assets (torts; errors and omissions; workers compensation; and general liability coverage). Other risks, such as health and dental coverage of its employees are accounted for and financed by the City in an internal service fund – the benefit accrual fund.

Participation in Public Entity Risk Pool

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August 1987 for the purpose of facilitating the organization, establishment, and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The City's share of such losses is less than 1%.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from the CVMIC's offices.

The initial investment of WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$1,117,155 in the insurance internal service fund.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Participation in Public Entity Risk Pool (cont.)

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$100,000 per occurrence and an annual aggregate limit of \$100,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2013. A total liability of approximately \$161,736 at December 31, 2013 was recorded as claims payable. Changes in the fund's claims loss liability follow:

	<u>Balance January 1</u>	<u>Incurred Claims</u>	<u>Claims Paid/ Settled</u>	<u>Balance December 31</u>
2012	\$ 15,000	\$ 361,396	\$ 214,660	\$ 161,736
2013	161,736	189,116	189,116	161,736

The City is not financially accountable, as defined in Note I, over WMIC or the mutual.

Dental Care

The City is exposed to various risks of loss related to dental claims. The City's risk management fund (an internal service fund) is used to account for and finance its uninsured risks of loss. Under this program, the risk management fund provides coverage for up to a maximum annual reimbursement per claimant of \$4,000 for basic (Teamsters) members and \$2,000 for all others. There have been no reductions in insurance coverage in 2013.

All funds of the City participate in the program and are charged amounts needed to pay prior and current year claims and to establish a reserve for future claims costs. The estimated liability for self-funded losses is based on reviewing past claim experience, 2013 claim payment data and making assumptions about future claim payments and experiences. The City does not allocate overhead costs or other non-incremental costs to the claims liability. The estimated liability for self-insured losses for this program consisted of the following at December 31, 2013:

Incurred but not reported claims	<u>\$ 20,000</u>
----------------------------------	------------------

Changes in the claims payable follow:

	<u>Balance January 1</u>	<u>Incurred Claims</u>	<u>Claims Paid</u>	<u>Balance December 31</u>
2012	\$ 20,000	\$ 287,370	\$ 287,370	\$ 20,000
2013	20,000	297,797	297,797	20,000

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance – Health

Beginning in 2011, the City became self-insured for health insurance. This is reported in the benefit accrual internal service fund. For health claims, the uninsured risk of loss is \$75,000 per incident and \$4,186,090 in the aggregate for a policy year. The City has purchased commercial insurance for claims in excess of those amounts.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Long-term liabilities include an amount for claims that have been incurred but not reported (IBNR). The City does not allocate overhead costs or other non-incremental costs to the claims liability. Changes in the current claims liability follows:

	<u>2013</u>
Unpaid claims - Beginning of Year	\$ 332,586
Current year claims and changes in estimates	3,164,461
Claim payments	<u>(3,126,664)</u>
Unpaid Claims - End of Year	<u>\$ 370,383</u>

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

The City has incurred costs for sanitary sewer interceptors and transportation systems which will benefit certain areas if they are annexed by the City. Upon annexation, the City could recover the costs from the property owners. City officials estimate the potential recovery at December 31, 2013 aggregated approximately \$4,293,474.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grant. City management believes such disallowances, if any, would be immaterial.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The City has active construction projects as of December 31, 2013. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

D. JOINT VENTURES

Menasha-Neenah Municipal Court

The City of Neenah and the City of Menasha have enacted joint ordinances creating the Menasha-Neenah Municipal Court. Each City's proportionate share in the annual operations is equal to the percentage share of citations issued by that city compared to the total citations issued by both cities since the inception of the municipal court. The breakdown as of December 31, 2013 was as follows:

City	Number of 2013 Citations	Number of Citations Since Inception	% of Total
City of Menasha	1,956	23,583	40.7%
City of Neenah	3,125	34,424	59.3%
Totals	5,081	58,007	100.0%

The City of Neenah is the lead agency for purposes of administering the operations of the court. Therefore, all employees of the court, including the judge, are considered City of Neenah employees. The court's offices operate out of the Neenah City Hall building. Court trials are held in the Common Council Chambers at Neenah City Hall.

The municipal court prepares an annual budget and submits it to Neenah and Menasha as part of the cities' annual budgeting process. The cities each pay a proportionate share of the municipal court budget. In addition to its proportionate share, Menasha also pays the City of Neenah an annual administrative fee. The administrative fee is reviewed annually. The City of Neenah has established a Municipal Court fund (an agency fund) to account for municipal court activity.

As of December 31, 2013, the court had a deficit of \$230,937. The allocation of this deficit is as follows:

City of Menasha	\$ 95,838
City of Neenah	135,099
Total	\$ 230,937

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Menasha-Neenah Municipal Court (cont.)

It is the intent that the court will repay these funds.

Financial information of the court as of December 31, 2013 is included in the City's CAFR as supplementary information. Separate financial statements are not available. The City of Neenah does not have an equity interest in this organization.

Neenah-Menasha Fire Rescue

On January 1, 2003, the City of Neenah and City of Menasha merged their fire departments. The merged fire department is known as the Neenah-Menasha Fire Rescue (NMFR). It provides fire and rescue services to the citizens of both communities.

The communities share in the annual operation of the fire department as follows: City of Menasha – 39.49% and City of Neenah – 60.51%.

Annually as part of the budget process, the joint finance and personnel committee will re-evaluate the cost distribution formula based on the following five factors: 1) population, 2) equalized value, 3) annual fire/rescue calls, 4) square miles, and 5) square footage of all buildings with each community.

The Joint Fire Commission consists of six members with three year staggered terms. Neenah and Menasha each appoint three members to the commission. The appointees are not elected officials of the municipalities.

The oversight of the day-to-day operations and budgetary matters of the Neenah-Menasha Fire Rescue are conducted by the Joint Fire Finance and Personnel Committee. The recommendations of the Joint Finance and Personnel Committee shall be acted upon separately by the common councils of both Neenah and Menasha and are effective only upon concurrence of both councils.

The City of Neenah is responsible for administering and accounting for all funds received and disbursed. A separate fund (an agency fund) has been established by the City of Neenah to account for fire services.

The City accounts for its share of the operations in the general fund. The City of Neenah does not have an equity interest in this organization. Financial information related to the Neenah-Menasha Fire Rescue as of December 31, 2013 is included in the City's CAFR as supplementary information. Separate financial statements are not available.

E. OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The City's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The retirees pay 100% of the premium amounts under the plan.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding exc

ess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	113,709
Interest on net OPEB obligation		8,373
Adjustment to annual required contribution		(7,831)
Annual OPEB Cost		114,251
Contributions made		(55,378)
Increase in net OPEB obligation		58,873
Net OPEB Obligation – Beginning of Year		209,313
Net OPEB Obligation – End of Year		268,186

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$ 114,251	48.47%	\$ 268,186
12/31/12	113,713	61.78%	209,313
12/31/11	130,121	47.89%	165,851

The funded status of the plan as of January 1, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	1,058,510
Actuarial value of plan assets		-
Unfunded Actuarial Accrued Liability (UAAL)		\$ 1,058,510
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	11,088,099
UAAL as a percentage of covered payroll		9.5%

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the City's actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial valuation date was January 1, 2012. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5.5% after 6 years. Both rates include a 3% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The amortization period at December 31, 2013 was 25 years.

The City's OPEB plan does not issue a stand-alone financial report.

F. SUBSEQUENT EVENTS

On March 26, 2014 the Fox River clean up case was settled. The Neenah Menasha Sewerage Commission reached a settlement as one of six defendants. The settlement included a cash payment of \$54 million from the six defendants. The Sewerage Commission's share of the settlement was \$5.2 million. Of that amount, the Commission had to pay \$525,000 to trigger insurance coverage of the remaining \$4,675,000. The City of Neenah was responsible for 50% of the \$525,000, or \$262,500, which was funded by the Sanitary Sewer Utility.

On May 28, 2014 the City issued general obligation promissory notes in the amount of \$4,685,000 with an interest rate of 2.00%. These proceeds will be used to fund various capital improvement projects.

CITY OF NEENAH

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION (cont.)

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEENAH

OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
For the Year Ended December 31, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/12	\$ -	\$ 1,058,510	\$ 1,058,510	0%	\$ 11,088,099	9.5%
01/01/10	-	1,279,401	1,279,401	0%	10,955,068	11.7%
01/01/08	-	1,240,180	1,240,180	0%	10,729,562	11.6%

The City is required to present the above information for the three most recent actuarial studies.

See independent auditors' report.

MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

GENERAL FUND

The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF NEENAH

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General property tax	\$ 12,198,650	\$ 12,198,650	\$ 12,198,654	4
Payment in lieu of taxes	18,000	18,000	11,821	(6,179)
Total Taxes	<u>12,216,650</u>	<u>12,216,650</u>	<u>12,210,475</u>	<u>(6,175)</u>
INTERGOVERNMENTAL REVENUES				
State shared revenues	2,247,200	2,247,200	2,244,485	(2,715)
Highway maintenance aids	1,092,410	1,092,410	1,091,803	(607)
Police, fire, and library aids	73,500	73,500	71,669	(1,831)
Mass transit aids	252,840	252,840	276,108	23,268
Refund of prior year joint fire district payment	35,000	35,000	45,558	10,558
Total Intergovernmental Revenues	<u>3,700,950</u>	<u>3,700,950</u>	<u>3,729,623</u>	<u>28,673</u>
LICENSES AND PERMITS				
Licenses				
Liquor and malt beverage	24,000	24,000	22,333	(1,667)
Operators	12,000	12,000	14,645	2,645
Cigarette	2,800	2,800	2,910	110
Electrical contractor	6,000	6,000	2,845	(3,155)
Furnace	2,300	2,300	3,420	1,120
Dog and cat	9,500	9,500	14,334	4,834
Sundry	2,820	2,820	2,778	(42)
Permits				
Building	105,000	105,000	114,108	9,108
Electrical	30,000	30,000	21,594	(8,406)
Plumbing	26,000	26,000	23,409	(2,591)
Furnace	22,000	22,000	32,435	10,435
Sundry	18,120	18,120	22,360	4,240
Total Licenses and Permits	<u>260,540</u>	<u>260,540</u>	<u>277,171</u>	<u>16,631</u>
FINES, FORFEITURES AND PENALTIES				
Court fines	146,000	146,000	107,483	(38,517)
Miscellaneous	2,000	2,000	575	(1,425)
Total Fines, Forfeitures and Penalties	<u>148,000</u>	<u>148,000</u>	<u>108,058</u>	<u>(39,942)</u>

See auditors' report and accompanying notes to required supplementary information.

CITY OF NEENAH

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (cont.)
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CHARGES FOR SERVICES				
Other				
General government	\$ 696,640	\$ 696,640	\$ 658,337	\$ (38,303)
Public safety	211,630	211,630	217,135	5,505
Highway and street	81,400	81,400	139,969	58,569
Rental of City property	82,650	82,650	93,042	10,392
Public library	757,940	757,940	755,443	(2,497)
Cemetery	80,070	80,070	102,182	22,112
Park and recreation	502,570	502,570	518,490	15,920
Sundry	14,000	14,000	15,305	1,305
Total Other	<u>2,426,900</u>	<u>2,426,900</u>	<u>2,499,903</u>	<u>73,003</u>
Health and Welfare				
Health inspection fees	40,000	40,000	34,295	(5,705)
Total Charges for Services	<u>2,466,900</u>	<u>2,466,900</u>	<u>2,534,198</u>	<u>67,298</u>
INVESTMENT INCOME AND MISCELLANEOUS				
Investment income	340,000	340,000	202,883	(137,117)
Unrealized gains/(losses)	-	-	(197,651)	(197,651)
Miscellaneous general revenues	413,470	413,470	444,094	30,624
Total Investment Income and Miscellaneous	<u>753,470</u>	<u>753,470</u>	<u>449,326</u>	<u>(304,144)</u>
Total Revenues	<u>19,546,510</u>	<u>19,546,510</u>	<u>19,308,851</u>	<u>(237,659)</u>
OTHER FINANCING SOURCES				
Transfers From				
TIF District No. 5 fund	64,100	64,100	62,708	(1,392)
TIF District No. 6 fund	46,600	46,600	47,483	883
TIF District No. 7 fund	78,100	78,100	79,100	1,000
TIF District No. 8 fund	90,600	90,600	84,238	(6,362)
Community development block grant fund	30,000	30,000	17,534	(12,466)
Housing and business loans fund	45,000	45,000	45,000	-
Industrial development fund	10,000	10,000	10,000	-
Recycling fund	52,420	52,420	52,420	-
Other special revenue fund	-	11,930	12,343	413
Cemetery perpetual care fund	15,000	15,000	16,738	1,738
Capital equipment	-	-	185,290	185,290
Sewer fund	814,490	814,490	666,202	(148,288)
Stormwater fund	386,560	386,560	371,113	(15,447)
Water utility fund - payment in lieu of tax	1,062,500	1,062,500	1,093,330	30,830
Water utility fund	32,270	32,270	32,274	4
Fleet management fund	35,000	35,000	54,497	19,497
Information systems fund	25,000	25,000	61,909	36,909
Parking utility fund	108,090	108,090	124,804	16,714
Benefit accrual fund	250,000	250,000	250,000	-
Total Transfers	<u>3,145,730</u>	<u>3,157,660</u>	<u>3,266,983</u>	<u>109,323</u>
Sale of city property	1,150	1,150	51,372	50,222
Total Other Financing Sources	<u>3,146,880</u>	<u>3,158,810</u>	<u>3,318,355</u>	<u>159,545</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 22,693,390</u>	<u>\$ 22,705,320</u>	<u>\$ 22,627,206</u>	<u>\$ (78,114)</u>

See auditors' report and accompanying notes to required supplementary information.

CITY OF NEENAH

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

CURRENT EXPENDITURES	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
Common council	\$ 60,530	\$ 60,530	\$ 55,301	\$ 5,229
Mayor's office	175,920	175,920	174,169	1,751
Finance	1,104,200	1,106,340	1,079,480	26,860
Municipal buildings	221,880	221,880	249,431	(27,551)
Human resources	175,380	175,380	174,242	1,138
City attorney	416,460	416,460	400,686	15,774
Total General Government	<u>2,154,370</u>	<u>2,156,510</u>	<u>2,133,309</u>	<u>23,201</u>
PUBLIC SAFETY				
Police Department				
Operations	5,758,980	5,758,980	5,641,868	117,112
Police firing range	23,320	23,320	12,980	10,340
Police school liaison program	260,710	260,710	252,308	8,402
Crossing guards	68,970	68,970	56,221	12,749
Capital outlay	132,320	132,320	131,243	1,077
Community service officers/animal control	54,790	54,790	52,316	2,474
K-9 unit	-	11,930	12,347	(417)
Fire Department				
Operations	4,690,760	4,690,760	4,689,952	808
Other				
Pension	14,920	14,920	14,920	-
Police and fire commission	6,380	6,380	3,102	3,278
Total Public Safety	<u>11,011,150</u>	<u>11,023,080</u>	<u>10,867,257</u>	<u>155,823</u>
PUBLIC WORKS				
Engineering	651,800	651,800	638,854	12,946
Repair of streets	327,310	327,310	406,499	(79,189)
Snow and ice control	477,270	477,270	657,379	(180,109)
Weed cutting	56,120	56,120	41,132	14,988
Forestry program	162,590	162,590	156,157	6,433
Street lighting	579,330	579,330	587,927	(8,597)
Municipal garage	409,540	409,540	415,460	(5,920)
Storm and sanitary sewers and drains	303,930	303,930	259,648	44,282
Refuse collection	679,480	679,480	643,159	36,321
Sewer inspection	57,280	67,280	52,986	14,294
Traffic control	266,110	266,110	328,861	(62,751)
Capital outlay	16,520	16,520	6,557	9,963
Sundry	15,720	15,720	4,225	11,495
Total Public Works	<u>4,003,000</u>	<u>4,013,000</u>	<u>4,198,844</u>	<u>(185,844)</u>

See auditors' report and accompanying notes to required supplementary information.

CITY OF NEENAH

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PARKS, RECREATION AND EDUCATION				
Parks and Recreation				
Administration	\$ 528,140	\$ 528,140	\$ 525,205	\$ 2,935
Capital outlay	18,010	18,010	18,010	-
Adult programs	37,580	37,580	34,228	3,352
Youth programs	28,270	28,270	29,167	(897)
Municipal pool and recreation building	250,100	250,100	269,648	(19,548)
Playground programs	81,240	81,240	82,524	(1,284)
Parks	827,010	827,010	827,835	(825)
Forestry	70,900	70,900	49,335	21,565
Other activities	41,120	41,120	43,622	(2,502)
Total Parks and Recreation	<u>1,882,370</u>	<u>1,882,370</u>	<u>1,879,574</u>	<u>2,796</u>
Library				
Operations	1,954,710	1,954,710	1,926,714	27,996
Total Parks, Recreation and Education	<u>3,837,080</u>	<u>3,837,080</u>	<u>3,806,288</u>	<u>30,792</u>
HEALTH AND WELFARE				
Assistance Program				
Committee on Aging	190	190	100	90
Total Health and Welfare	<u>190</u>	<u>190</u>	<u>100</u>	<u>90</u>
COMMUNITY DEVELOPMENT				
Operations	717,270	717,270	691,419	25,851
Celebrations and commemorations	54,350	54,350	60,766	(6,416)
Housing authority	8,590	8,590	4,328	4,262
Bus subsidy program	345,760	345,760	322,436	23,324
Older adult center	13,400	13,400	13,400	-
Conservation and development	270,220	273,200	236,485	36,715
Total Community Development	<u>1,409,590</u>	<u>1,412,570</u>	<u>1,328,834</u>	<u>83,736</u>
OTHER				
Cemetery operations	280,150	280,150	251,990	28,160
Miscellaneous	55,860	55,860	24,829	31,031
Total Other	<u>336,010</u>	<u>336,010</u>	<u>276,819</u>	<u>59,191</u>
Total Expenditures	<u>22,751,390</u>	<u>22,778,440</u>	<u>22,611,451</u>	<u>166,989</u>
OTHER FINANCING USES				
Transfers Out To				
Dial-A-Ride	12,000	12,000	12,000	-
Total Other Financing Uses	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 22,763,390</u>	<u>\$ 22,790,440</u>	<u>\$ 22,623,451</u>	<u>\$ 166,989</u>

See auditors' report and accompanying notes to required supplementary information.

SPECIAL REVENUE FUND

Special revenue funds are used to account for the proceeds from specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

TAX INCREMENTAL FINANCING (T.I.F.) DISTRICT #8

To account for receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for Tax Incremental Financing District #8.

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -
TIF DISTRICT NO. 8 - SPECIAL REVENUE FUND (MAJOR FUND)
For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 1,412,631	\$ 1,435,121	\$ 22,490
Intergovernmental	204,887	201,288	(3,599)
Investment income and miscellaneous	<u>21,000</u>	<u>36,792</u>	<u>15,792</u>
Total Revenues	<u>1,638,518</u>	<u>1,673,201</u>	<u>34,683</u>
EXPENDITURES			
Current			
Community development	1,000	8,291	(7,291)
Debt Service			
Principal retirement	410,947	16,215,000	(15,804,053)
Interest and fiscal charges	<u>1,343,541</u>	<u>2,341,828</u>	<u>(998,287)</u>
Total Expenditures	<u>1,755,488</u>	<u>18,565,119</u>	<u>(16,809,631)</u>
Excess (deficiency) of revenues over expenditures	<u>(116,970)</u>	<u>(16,891,918)</u>	<u>(16,774,948)</u>
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	5,000	5,000
Refunding bonds issued	-	1,120,910	1,120,910
Proceeds from capital lease issued	-	17,620,000	17,620,000
Payment to fiscal agent for advance refunding	-	(1,130,674)	(1,130,674)
Premium on debt	-	66,924	66,924
Transfers out	<u>(90,600)</u>	<u>(765,623)</u>	<u>(675,023)</u>
Total Other Financing Sources (Uses)	<u>(90,600)</u>	<u>16,916,537</u>	<u>17,007,137</u>
Net Change in Fund Balance	(207,570)	24,619	232,189
FUND BALANCE (DEFICIT) - Beginning	<u>(4,335,723)</u>	<u>(4,335,723)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (4,543,293)</u>	<u>\$ (4,311,104)</u>	<u>\$ 232,189</u>

See auditors' report and accompanying notes to required supplementary information.

CITY OF NEENAH

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2013

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made.

The City follows these procedures in establishing the budget versus actual budgetary data reflected in the financial statements:

- a. The Mayor submits to the Common Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted at the City Administration Building to obtain taxpayer comments.
- c. Prior to December 31, the budget is legally adopted through passage of a council resolution.
- d. The budget as adopted, includes total expenditures at the cost center level. A cost center can be a fund, major program, department or other activity for which control of expenditures are considered desirable. Cost centers are defined as follows for the governmental fund types with annual budgets: General at the department level, and Special Revenue and Capital Projects at major program level and Debt Service at total fund level. Expenditures cannot legally exceed appropriations at this level without two-thirds common council approval to amend the budget.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds, Sewerage Disposal Utility, Stormwater Utility, and Parking Utility Enterprise Funds.

A comparison of Actual and Budget is included in the accompanying financial statements for all governmental fund types with a legally adopted annual budget. The budget presentations are at the cost center level (legal level of control for the annual budget).

- f. All budgets adopted conform to generally accepted accounting principles (GAAP) except for the Enterprise Funds, where depreciation is not recognized for budget purposes. Budget amounts are as originally adopted or as amended via the procedures explained above. Individual amendments were legally authorized as described.
- g. Budgets for all non-committed governmental funds lapse at year-end. Carryovers to the following year were \$74,421 in the general fund, which includes library operations.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs (other than those being financed by proprietary funds).

CITY OF NEENAH

BALANCE SHEET - DEBT SERVICE FUND
As of December 31, 2013

	Debt Service Fund
ASSETS	
Cash and investments	\$ 285,896
Receivables	
Taxes	3,357,065
Special assessments	367,400
Advances to other funds	<u>1,412,500</u>
 TOTAL ASSETS	 <u>\$ 5,422,861</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Deferred Inflows of Resources	
Unearned revenue	\$ 3,210,000
Unavailable revenue	<u>367,401</u>
Total Deferred Inflows of Resources	<u>3,577,401</u>
 Fund Balance	
Restricted for debt service	<u>1,845,460</u>
Total Fund Balance	<u>1,845,460</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 5,422,861</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE (MAJOR FUND)
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes	\$ 3,270,000	\$ 3,210,000	\$ (60,000)
Intergovernmental	107,760	107,760	-
Special assessments	300,000	339,146	39,146
Investment income and miscellaneous	-	3,100	3,100
Total Revenues	<u>3,677,760</u>	<u>3,660,006</u>	<u>(17,754)</u>
EXPENDITURES			
Debt Service			
Principal retirement	3,997,716	4,626,286	(628,570)
Interest and fiscal charges	<u>2,239,540</u>	<u>1,328,223</u>	<u>911,317</u>
Total Expenditures	<u>6,237,256</u>	<u>5,954,509</u>	<u>282,747</u>
Excess (deficiency) of revenues over expenditures	<u>(2,559,496)</u>	<u>(2,294,503)</u>	<u>264,993</u>
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	23,330	23,330
Refunding bonds issued	-	3,681,948	3,681,948
Payment to fiscal agent for advance refunding	-	(3,862,290)	(3,862,290)
Premium on debt	25,000	223,167	198,167
Transfers in	<u>3,458,817</u>	<u>2,318,718</u>	<u>(1,140,099)</u>
Total Other Financing Sources (Uses)	<u>3,483,817</u>	<u>2,384,873</u>	<u>(1,098,944)</u>
Net Change in Fund Balance	924,321	90,370	(833,951)
FUND BALANCE - Beginning	<u>1,755,090</u>	<u>1,755,090</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,679,411</u>	<u>\$ 1,845,460</u>	<u>\$ (833,951)</u>

OTHER MAJOR FUNDS

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds and trust funds). Funds are derived from general obligation bond and note issues, certain Federal grants and other specific receipts.

Included in the Major Governmental Funds are:

PUBLIC INFRASTRUCTURE

To account for the financing and construction improvements of the City's streets, utilities, and sidewalks, including special assessment revenue designated to fund current and future capital projects.

TAX INCREMENTAL FINANCING (T.I.F.) DISTRICT #7

To account for the financing and construction improvements of the City's Westside Business Corridor.

TAX INCREMENTAL FINANCING (T.I.F.) DISTRICT #8

To account for the financing and construction improvements of the City's Doty Island and Riverwalk Zone redevelopment area.

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
PUBLIC INFRASTRUCTURE - CAPITAL PROJECTS FUND (MAJOR FUND)
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ -	\$ 118,189	\$ 118,189
Investment income and miscellaneous	-	5,804	5,804
Total Revenues	<u>-</u>	<u>123,993</u>	<u>123,993</u>
EXPENDITURES			
Capital Outlay	<u>1,776,691</u>	<u>1,361,705</u>	<u>414,986</u>
Excess (deficiency) of revenues over expenditures	<u>(1,776,691)</u>	<u>(1,237,712)</u>	<u>538,979</u>
OTHER FINANCING SOURCES			
Long-term debt issued	<u>1,226,000</u>	<u>1,226,000</u>	<u>-</u>
Net Change in Fund Balance	(550,691)	(11,712)	538,979
FUND BALANCE - Beginning	<u>4,123,309</u>	<u>4,123,309</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 3,572,618</u>	<u>\$ 4,111,597</u>	<u>\$ 538,979</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
TIF DISTRICT NO. 7 - CAPITAL PROJECTS FUND (MAJOR FUND)
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Capital Outlay	<u>27,118</u>	<u>7,958</u>	<u>19,160</u>
Excess (deficiency) of revenues over expenditures	<u>(27,118)</u>	<u>(7,958)</u>	<u>19,160</u>
OTHER FINANCING SOURCES			
Long-term debt issued	<u>17,500</u>	<u>15,000</u>	<u>(2,500)</u>
Net Change in Fund Balance	(9,618)	7,042	16,660
FUND BALANCE - Beginning	<u>1,007,996</u>	<u>1,007,996</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 998,378</u>	<u>\$ 1,015,038</u>	<u>\$ 16,660</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
TIF DISTRICT NO. 8 - CAPITAL PROJECTS FUND (MAJOR FUND)
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	<u>\$ 292,000</u>	<u>\$ 165,400</u>	<u>\$ (126,600)</u>
EXPENDITURES			
Capital Outlay	<u>1,281,191</u>	<u>218,031</u>	<u>1,063,160</u>
Excess (deficiency) of revenues over expenditures	<u>(989,191)</u>	<u>(52,631)</u>	<u>936,560</u>
OTHER FINANCING SOURCES			
Long-term debt issued	<u>710,000</u>	<u>710,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(279,191)</u>	<u>657,369</u>	<u>936,560</u>
FUND BALANCE - Beginning	<u>467,336</u>	<u>467,336</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 188,145</u>	<u>\$ 1,124,705</u>	<u>\$ 936,560</u>

NONMAJOR GOVERNMENTAL FUNDS

NON-MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds from specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

TAX INCREMENTAL FINANCING (T.I.F.) DISTRICT #5

To account for receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for Tax Incremental Financing District #5.

TAX INCREMENTAL FINANCING (T.I.F.) DISTRICT #6

To account for receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for Tax Incremental Financing District #6.

TAX INCREMENTAL FINANCING (T.I.F.) DISTRICT #7

To account for receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for Tax Incremental Financing District #7.

COMMUNITY DEVELOPMENT BLOCK GRANT

To account for receipt of Federal grant proceeds and corresponding program expenditures.

HOUSING AND BUSINESS LOANS

To account for receipt of Federal and State grants and the corresponding program expenditures for housing rehabilitation projects, homebuyer assistance projects and business loan projects.

INDUSTRIAL DEVELOPMENT

To account for receipt of County grants and corresponding program expenditures.

RECYCLING

To account for receipt of Federal and State grants and the corresponding program expenditures for recycling.

HEALTH GRANTS

To account for receipt of Federal and State grants and the corresponding program expenditures for health programs.

PARKS AND RECREATION

To account for monies received from private donations and bequests to finance specific Park and Recreation related activities and the corresponding expenditures.

DIAL-A-RIDE

To account for the receipts and disbursements of the Neenah-Menasha Dial-A-Ride transportation program for the elderly.

CIVIC AND SOCIAL

To account for monies provided by private donors to finance specific civic improvement and social related activities and the corresponding expenditures.

CLOCKTOWER

To account for the receipt of borrowed and donated funds to finance the City Clock Tower renovation and maintenance.

LIBRARY

To account for monies provided by private donors to finance specific Library improvements and services, new City library, and the corresponding expenditures.

OTHER TRUSTS

To account for monies provided by private donors to finance specific public safety equipment and services and the corresponding expenditures.

CEMETERY PERPETUAL CARE

To account for monies invested in trust for the long-term perpetual care and maintenance of City-owned cemetery.

CEMETERY FLOWERS

To account for monies invested in trust to maintain flower distribution at City-owned cemetery.

WALNUTS

To account for monies provided by City employees through private donations and events to finance employee activities and donations to various charities.

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds and trust funds). Funds are derived from general obligation bond and note issues, certain Federal grants and other specific receipts.

Included in the Non-Major Governmental Funds are:

TAX INCREMENTAL FINANCING (T.I.F.) DISTRICT #5

To account for the financing and construction improvements of the City's Downtown Business District.

TAX INCREMENTAL FINANCING (T.I.F.) DISTRICT #6

To account for the financing and construction improvements of the City's Industrial Park Center III.

REDEVELOPMENT

To account for the financing and construction of redevelopment throughout the City.

FACILITIES

To account for the financing and construction of specific major City facilities designated in the City's annual Capital Improvements Program.

CAPITAL EQUIPMENT

To account for the financing of the City's annual Capital Equipment Program.

EQUIPMENT REPLACEMENT

To account for the financing of the City's Computer Replacement Fund.

CITY OF NEENAH

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2013

		Special Revenue Funds		
		TIF District No. 5	TIF District No. 6	TIF District No. 7
ASSETS				
Cash and investments		\$ 719	\$ 981	\$ 19,378
Taxes receivable		219,333	388,986	1,953,556
Loans		-	-	-
Other receivables		-	-	-
Prepaid items		-	-	-
Advances to other funds		-	-	400,000
		-	-	400,000
 TOTAL ASSETS		\$ 220,052	\$ 389,967	\$ 2,372,934
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable		\$ -	\$ -	\$ -
Due to other funds		-	-	-
Other liabilities		-	-	-
Advances from other funds		951,000	737,000	-
Total Liabilities		951,000	737,000	-
Deferred Inflows of Resources				
Unearned revenue		219,334	388,986	1,953,556
Fund Balances				
Nonspendable:				
Prepaid items		-	-	-
Restricted		-	-	419,378
Committed		-	-	-
Assigned		-	-	-
Unassigned (deficit)		(950,282)	(736,019)	-
Total Fund Balances		(950,282)	(736,019)	419,378
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		\$ 220,052	\$ 389,967	\$ 2,372,934

Special Revenue Funds						
Community Development Block Grant	Housing/ Business Loans	Industrial Development	Recycling	Health Grants	Parks and Recreation	Dial-A- Ride
\$ 27,268	\$ 303,769	\$ 19,564	\$ 319,294	\$ 120,188	\$ 352,901	\$ 23,932
-	-	-	263,700	-	-	-
-	642,457	-	-	-	-	-
-	11,177	-	-	-	-	127
-	-	-	-	-	900	-
-	-	-	-	-	-	-
<u>\$ 27,268</u>	<u>\$ 957,403</u>	<u>\$ 19,564</u>	<u>\$ 582,994</u>	<u>\$ 120,188</u>	<u>\$ 353,801</u>	<u>\$ 24,059</u>
\$ -	\$ 14,495	\$ -	\$ 5,757	\$ -	\$ -	\$ 2,776
-	-	-	-	-	-	-
49,400	7,895	-	7,745	-	-	-
-	-	-	-	-	-	-
<u>49,400</u>	<u>22,390</u>	<u>-</u>	<u>13,502</u>	<u>-</u>	<u>-</u>	<u>2,776</u>
-	-	-	263,610	-	-	-
-	-	-	-	-	900	-
-	935,013	-	-	120,188	-	-
-	-	19,564	305,882	-	352,901	21,283
-	-	-	-	-	-	-
(22,132)	-	-	-	-	-	-
<u>(22,132)</u>	<u>935,013</u>	<u>19,564</u>	<u>305,882</u>	<u>120,188</u>	<u>353,801</u>	<u>21,283</u>
<u>\$ 27,268</u>	<u>\$ 957,403</u>	<u>\$ 19,564</u>	<u>\$ 582,994</u>	<u>\$ 120,188</u>	<u>\$ 353,801</u>	<u>\$ 24,059</u>

CITY OF NEENAH

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (cont.)
As of December 31, 2013

	Special Revenue Funds				
	Civic and Social	Library	Clock Tower Renovations	Other	Cemetery Perpetual Care
ASSETS					
Cash and investments	\$ 112,474	\$ 1,118,014	\$ 25	\$ 140,140	\$ 1,255,071
Taxes receivable	-	-	-	-	-
Loans	-	-	-	-	-
Other receivables	-	-	-	9,208	5,612
Prepaid items	-	329	-	-	-
Advances to other funds	-	-	-	-	-
TOTAL ASSETS	\$ 112,474	\$ 1,118,343	\$ 25	\$ 149,348	\$ 1,260,683
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 406	\$ 6,666	\$ -	\$ 608	\$ -
Due to other funds	-	-	-	2,100	-
Other liabilities	-	-	-	1,560	-
Advances from other funds	-	-	-	-	-
Total Liabilities	406	6,666	-	4,268	-
Deferred Inflows of Resources					
Unearned revenue	-	-	-	-	-
Fund Balances					
Nonspendable:					
Prepaid items	-	329	-	-	-
Restricted	-	1,111,348	25	-	1,260,683
Committed	112,068	-	-	145,080	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	112,068	1,111,677	25	145,080	1,260,683
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 112,474	\$ 1,118,343	\$ 25	\$ 149,348	\$ 1,260,683

Continued on
Next Page

Special Revenue Funds			Capital Projects Funds			
Cemetery Flowers	Walnut	TIF District No. 5	TIF District No. 6	Redevelop- ment	Facilities	Capital Equipment
\$ 178,118	\$ 561	\$ 92,809	\$ 953	\$ 19,552	\$ 103,980	\$ 742,945
-	-	-	-	-	-	-
-	-	2,745	-	-	-	-
-	-	-	-	-	-	-
-	-	123,000	274,000	-	-	-
<u>\$ 178,118</u>	<u>\$ 561</u>	<u>\$ 218,554</u>	<u>\$ 274,953</u>	<u>\$ 19,552</u>	<u>\$ 103,980</u>	<u>\$ 742,945</u>
\$ -	\$ -	\$ -	\$ 7,330	\$ 2,785	\$ 30,169	\$ 178,706
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	7,330	2,785	30,169	178,706
-	-	-	-	-	-	-
-	-	-	-	-	-	-
178,118	561	218,554	267,623	-	-	-
-	-	-	-	16,767	73,811	564,239
-	-	-	-	-	-	-
<u>178,118</u>	<u>561</u>	<u>218,554</u>	<u>267,623</u>	<u>16,767</u>	<u>73,811</u>	<u>564,239</u>
<u>\$ 178,118</u>	<u>\$ 561</u>	<u>\$ 218,554</u>	<u>\$ 274,953</u>	<u>\$ 19,552</u>	<u>\$ 103,980</u>	<u>\$ 742,945</u>

CITY OF NEENAH

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (cont.)
As of December 31, 2013

	Capital Project Funds Equipment Replacement	Total Nonmajor Governmental Funds
ASSETS		
Cash and investments	\$ 244,764	\$ 5,197,400
Taxes receivable	-	2,825,575
Loans	-	642,457
Other receivables	-	28,869
Prepaid items	-	1,229
Advances to other funds	-	797,000
	\$ 244,764	\$ 9,492,530
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 254	\$ 249,952
Due to other funds	-	2,100
Other liabilities	-	66,600
Advances from other funds	-	1,688,000
Total Liabilities	254	2,006,652
Deferred Inflows of Resources		
Unearned revenue	-	2,825,486
Fund Balances		
Nonspendable:		
Prepaid items	-	1,229
Restricted	-	4,332,812
Committed	-	1,135,457
Assigned	244,510	899,327
Unassigned (deficit)	-	(1,708,433)
Total Fund Balances	244,510	4,660,392
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 244,764	\$ 9,492,530

CITY OF NEENAH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2013

	Special Revenue Funds		
	TIF District No. 5	TIF District No. 6	TIF District No. 7
REVENUES			
Taxes	\$ 227,606	\$ 206,771	\$ 2,347,463
Intergovernmental	172,179	1,739	22,754
Contributions	-	-	-
Investment income and miscellaneous	33,291	-	1,638
Total Revenues	433,076	208,510	2,371,855
EXPENDITURES			
Current			
Public safety	-	-	-
Recycling	-	-	-
Parks, recreation, and education	-	-	-
Health and welfare	-	-	-
Community development	-	-	-
Capital Outlay	-	-	-
Debt Service			
Interest and fiscal charges	4,266	37,603	11,742
Total Expenditures	4,266	37,603	11,742
Excess (deficiency) of revenues over expenditures	428,810	170,907	2,360,113
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	5,000	1,300	-
Refunding bonds issued	167,620	1,420,413	786,935
Payment to fiscal agent for advance refunding	(171,517)	(402,300)	(791,826)
Premium on debt	11,308	21,902	42,224
Sale of city property	-	-	-
Transfers in	-	-	-
Transfers out	(176,068)	(301,738)	(1,348,818)
Total Other Financing Sources (Uses)	(163,657)	739,577	(1,311,485)
Net Change in Fund Balances	265,153	910,484	1,048,628
FUND BALANCES (DEFICIT) - Beginning	(1,215,435)	(1,646,503)	(629,250)
FUND BALANCES (DEFICIT) - ENDING	\$ (950,282)	\$ (736,019)	\$ 419,378

Special Revenue Funds

Community Development Block Grant	Housing/ Business Loans	Industrial Development	Recycling	Health Grants	Parks and Recreation	Dial-A- Ride
\$ -	\$ -	\$ -	\$ 259,920	\$ -	\$ -	\$ -
96,963	-	11,000	236,982	-	-	30,000
-	-	-	-	-	33,629	8,500
59	3,891	-	9,303	-	358	-
<u>97,022</u>	<u>3,891</u>	<u>11,000</u>	<u>506,205</u>	<u>-</u>	<u>33,987</u>	<u>38,500</u>
-	-	-	-	-	-	-
-	-	-	546,489	-	-	-
-	-	-	-	-	33,966	-
-	-	-	-	30,272	-	-
46,910	9,575	2,798	-	-	-	37,667
-	-	-	-	-	-	-
<u>46,910</u>	<u>9,575</u>	<u>2,798</u>	<u>546,489</u>	<u>30,272</u>	<u>33,966</u>	<u>37,667</u>
<u>50,112</u>	<u>(5,684)</u>	<u>8,202</u>	<u>(40,284)</u>	<u>(30,272)</u>	<u>21</u>	<u>833</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	15,787	-	-	-	-	12,000
(33,321)	(45,000)	(10,000)	(52,420)	-	-	-
<u>(33,321)</u>	<u>(29,213)</u>	<u>(10,000)</u>	<u>(52,420)</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
16,791	(34,897)	(1,798)	(92,704)	(30,272)	21	12,833
<u>(38,923)</u>	<u>969,910</u>	<u>21,362</u>	<u>398,586</u>	<u>150,460</u>	<u>353,780</u>	<u>8,450</u>
<u>\$ (22,132)</u>	<u>\$ 935,013</u>	<u>\$ 19,564</u>	<u>\$ 305,882</u>	<u>\$ 120,188</u>	<u>\$ 353,801</u>	<u>\$ 21,283</u>

CITY OF NEENAH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (cont.)
For the Year Ended December 31, 2013

	Special Revenue Funds				
	Civic and Social	Library	Clock Tower Renovations	Other	Cemetery Perpetual Care
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	42,710	-
Contributions	21,582	23,876	-	73,936	-
Investment income and miscellaneous	95	191,276	-	96	72,789
Total Revenues	21,677	215,152	-	116,742	72,789
EXPENDITURES					
Current					
Public safety	-	-	-	84,164	-
Recycling	-	-	-	-	-
Parks, recreation, and education	-	61,204	-	-	-
Health and welfare	-	-	-	-	-
Community development	30,830	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	30,830	61,204	-	84,164	-
Excess (deficiency) of revenues over expenditures	(9,153)	153,948	-	32,578	72,789
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Payment to fiscal agent for advance refunding	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sale of city property	12,902	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(12,343)	(16,738)
Total Other Financing Sources (Uses)	12,902	-	-	(12,343)	(16,738)
Net Change in Fund Balances	3,749	153,948	-	20,235	56,051
FUND BALANCES (DEFICIT) - Beginning	108,319	957,729	25	124,845	1,204,632
FUND BALANCES (DEFICIT) - ENDING	\$ 112,068	\$ 1,111,677	\$ 25	\$ 145,080	\$ 1,260,683

Special Revenue Funds		Capital Project Funds				
Cemetery Flowers	Walnut	TIF District No. 5	TIF District No. 6	Redevelopment	Facilities	Capital Equipment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,745	-	73,407	298,800	-
-	-	-	-	-	50,000	-
171	620	-	-	-	-	-
<u>171</u>	<u>620</u>	<u>2,745</u>	<u>-</u>	<u>73,407</u>	<u>348,800</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,380	-	-	-	-	-	-
-	780	-	-	-	-	-
-	-	105,075	53,099	77,386	472,196	891,011
-	-	-	-	-	-	-
<u>3,380</u>	<u>780</u>	<u>105,075</u>	<u>53,099</u>	<u>77,386</u>	<u>472,196</u>	<u>891,011</u>
<u>(3,209)</u>	<u>(160)</u>	<u>(102,330)</u>	<u>(53,099)</u>	<u>(3,979)</u>	<u>(123,396)</u>	<u>(891,011)</u>
-	-	235,000	103,700	-	288,240	1,152,430
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,474
-	-	-	-	-	-	2,851
-	-	-	-	-	-	(185,290)
-	-	<u>235,000</u>	<u>103,700</u>	<u>-</u>	<u>288,240</u>	<u>975,465</u>
(3,209)	(160)	132,670	50,601	(3,979)	164,844	84,454
<u>181,327</u>	<u>721</u>	<u>85,884</u>	<u>217,022</u>	<u>20,746</u>	<u>(91,033)</u>	<u>479,785</u>
<u>\$ 178,118</u>	<u>\$ 561</u>	<u>\$ 218,554</u>	<u>\$ 267,623</u>	<u>\$ 16,767</u>	<u>\$ 73,811</u>	<u>\$ 564,239</u>

CITY OF NEENAH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (cont.)
For the Year Ended December 31, 2013

	Capital Project Fund <u>Equipment Replacement</u>	Total Nonmajor Governmental Funds <u>Funds</u>
REVENUES		
Taxes	\$ -	\$ 3,041,760
Intergovernmental	-	989,279
Contributions	-	211,523
Investment income and miscellaneous	157,024	470,611
Total Revenues	<u>157,024</u>	<u>4,713,173</u>
EXPENDITURES		
Current		
Public safety	-	84,164
Recycling	-	546,489
Parks, recreation, and education	-	95,170
Health and welfare	-	33,652
Community development	-	128,560
Capital Outlay	76,385	1,675,152
Debt Service		
Interest and fiscal charges	-	53,611
Total Expenditures	<u>76,385</u>	<u>2,616,798</u>
Excess (deficiency) of revenues over expenditures	<u>80,639</u>	<u>2,096,375</u>
OTHER FINANCING SOURCES (USES)		
Long-term debt issued	-	1,785,670
Refunding bonds issued	-	2,374,968
Payment to fiscal agent for advance refunding	-	(1,365,643)
Premium on debt	-	75,434
Sale of city property	840	19,216
Transfers in	-	30,638
Transfers out	(2,851)	(2,184,587)
Total Other Financing Sources (Uses)	<u>(2,011)</u>	<u>735,696</u>
Net Change in Fund Balances	78,628	2,832,071
FUND BALANCES (DEFICIT) - Beginning	<u>165,882</u>	<u>1,828,321</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 244,510</u>	<u>\$ 4,660,392</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -
TIF DISTRICT NO. 5 - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 231,676	\$ 227,606	\$ (4,070)
Intergovernmental	175,257	172,179	(3,078)
Investment income and miscellaneous	1,000	33,291	32,291
Total Revenues	<u>407,933</u>	<u>433,076</u>	<u>25,143</u>
EXPENDITURES			
Debt Service			
Interest and fiscal charges	<u>1,000</u>	<u>4,266</u>	<u>(3,266)</u>
Excess of revenues over expenditures	<u>406,933</u>	<u>428,810</u>	<u>21,877</u>
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	5,000	5,000
Refunding bonds issued	-	167,620	167,620
Payment to fiscal agent for advance refunding	-	(171,517)	(171,517)
Premium on debt	-	11,308	11,308
Transfers out	<u>(178,451)</u>	<u>(176,068)</u>	<u>2,383</u>
Total Other Financing Sources (Uses)	<u>(178,451)</u>	<u>(163,657)</u>	<u>14,794</u>
Net Change in Fund Balance	228,482	265,153	36,671
FUND BALANCE (DEFICIT) - Beginning	<u>(1,215,435)</u>	<u>(1,215,435)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (986,953)</u>	<u>\$ (950,282)</u>	<u>\$ 36,671</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -
TIF DISTRICT NO. 6 - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 210,467	\$ 206,771	\$ (3,696)
Intergovernmental	1,770	1,739	(31)
Investment income and miscellaneous	1,000	-	(1,000)
Total Revenues	<u>213,237</u>	<u>208,510</u>	<u>(4,727)</u>
EXPENDITURES			
Debt Service			
Interest and fiscal charges	<u>1,000</u>	<u>37,603</u>	<u>(36,603)</u>
Total Expenditures	<u>1,000</u>	<u>37,603</u>	<u>(36,603)</u>
Excess of revenues over expenditures	<u>212,237</u>	<u>170,907</u>	<u>(41,330)</u>
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	1,300	1,300
Refunding bonds issued	-	1,420,413	1,420,413
Payment to fiscal agent for advance refunding	-	(402,300)	(402,300)
Premium on debt	-	21,902	21,902
Transfers out	<u>(305,170)</u>	<u>(301,738)</u>	<u>3,432</u>
Total Other Financing Sources (Uses)	<u>(305,170)</u>	<u>739,577</u>	<u>1,044,747</u>
Net Change in Fund Balance	(92,933)	910,484	1,003,417
FUND BALANCE (DEFICIT) - Beginning	<u>(1,646,503)</u>	<u>(1,646,503)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u><u>\$(1,739,436)</u></u>	<u><u>\$ (736,019)</u></u>	<u><u>\$ 1,003,417</u></u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -
TIF DISTRICT NO. 7 - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 2,389,440	\$ 2,347,463	\$ (41,977)
Intergovernmental	23,161	22,754	(407)
Investment income and miscellaneous	1,000	1,638	638
Total Revenues	<u>2,413,601</u>	<u>2,371,855</u>	<u>(41,746)</u>
EXPENDITURES			
Current			
Community Development	1,000	-	1,000
Debt Service			
Interest and fiscal charges	-	11,742	(11,742)
Total Expenditures	<u>1,000</u>	<u>11,742</u>	<u>(10,742)</u>
Excess of revenues over expenditures	<u>2,412,601</u>	<u>2,360,113</u>	<u>(52,488)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	786,935	786,935
Payment to fiscal agent for advance refunding	-	(791,826)	(791,826)
Premium on debt	-	42,224	42,224
Transfers out	(1,409,509)	(1,348,818)	60,691
Total Other Financing Sources (Uses)	<u>(1,409,509)</u>	<u>(1,311,485)</u>	<u>98,024</u>
Net Change in Fund Balance	1,003,092	1,048,628	45,536
FUND BALANCE (DEFICIT) - Beginning	<u>(629,250)</u>	<u>(629,250)</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 373,842</u>	<u>\$ 419,378</u>	<u>\$ 45,536</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -
COMMUNITY DEVELOPMENT BLOCK GRANT - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 175,000	\$ 96,963	\$ (78,037)
Investment income and miscellaneous	-	59	59
Total Revenues	175,000	97,022	(77,978)
EXPENDITURES			
Current			
Community development	175,000	46,910	128,090
Excess of revenues over expenditures	-	50,112	50,112
OTHER FINANCING USES			
Transfers out	-	(33,321)	(33,321)
Net Change in Fund Balance	-	16,791	16,791
FUND BALANCE (DEFICIT) - Beginning	(38,923)	(38,923)	-
FUND BALANCE (DEFICIT) - Ending	\$ (38,923)	\$ (22,132)	\$ 16,791

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
HOUSING AND BUSINESS LOANS - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Investment income and miscellaneous	\$ 3,800	\$ 3,891	\$ 91
Total Revenues	<u>3,800</u>	<u>3,891</u>	<u>91</u>
EXPENDITURES			
Current			
Community development	<u>1,950</u>	<u>9,575</u>	<u>(7,625)</u>
Excess (deficiency) of revenues over expenditures	<u>1,850</u>	<u>(5,684)</u>	<u>(7,534)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	15,787	(34,213)
Transfers out	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>(29,213)</u>	<u>(34,213)</u>
Net Change in Fund Balance	6,850	(34,897)	(41,747)
FUND BALANCE - Beginning	<u>969,910</u>	<u>969,910</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 976,760</u>	<u>\$ 935,013</u>	<u>\$ (41,747)</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
INDUSTRIAL DEVELOPMENT - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 12,000	\$ 11,000	\$ (1,000)
EXPENDITURES			
Current			
Community development	1,241	2,798	(1,557)
Excess of revenues over expenditures	10,759	8,202	(2,557)
OTHER FINANCING USES			
Transfers out	(15,000)	(10,000)	5,000
Net Change in Fund Balance	(4,241)	(1,798)	2,443
FUND BALANCE - Beginning	21,362	21,362	-
FUND BALANCE - Ending	\$ 17,121	\$ 19,564	\$ 2,443

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RECYCLING - SPECIAL REVENUE FUND For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	248,900	259,920	\$ 11,020
Intergovernmental	202,620	236,982	34,362
Investment income and miscellaneous	10,000	9,303	(697)
Total Revenues	<u>461,520</u>	<u>506,205</u>	<u>44,685</u>
EXPENDITURES			
Current			
Recycling	<u>510,160</u>	<u>546,489</u>	<u>(36,329)</u>
Excess (deficiency) of revenues over expenditures	<u>(48,640)</u>	<u>(40,284)</u>	<u>8,356</u>
OTHER FINANCING USES			
Transfers out	<u>(52,420)</u>	<u>(52,420)</u>	<u>-</u>
Net Change in Fund Balance	(101,060)	(92,704)	8,356
FUND BALANCE - Beginning	<u>398,586</u>	<u>398,586</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 297,526</u>	<u>\$ 305,882</u>	<u>\$ 8,356</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
PARKS AND RECREATION - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Contributions	\$ 35,000	\$ 33,629	\$ (1,371)
Investment income and miscellaneous	600	358	(242)
Total Revenues	<u>35,600</u>	<u>33,987</u>	<u>(1,613)</u>
EXPENDITURES			
Current			
Parks and recreation	<u>38,000</u>	<u>33,966</u>	<u>4,034</u>
Net Change in Fund Balance	(2,400)	21	2,421
FUND BALANCE - Beginning	<u>353,780</u>	<u>353,780</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 351,380</u>	<u>\$ 353,801</u>	<u>\$ 2,421</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DIAL-A-RIDE - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 41,000	\$ 30,000	\$ (11,000)
Contributions	8,500	8,500	-
Total Revenues	<u>49,500</u>	<u>38,500</u>	<u>(11,000)</u>
EXPENDITURES			
Current			
Community development	<u>49,500</u>	<u>37,667</u>	<u>11,833</u>
Excess of revenues over expenditures	<u>-</u>	<u>833</u>	<u>833</u>
OTHER FINANCING SOURCES			
Transfers in	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Net Change in Fund Balance	-	12,833	12,833
FUND BALANCE - Beginning	<u>8,450</u>	<u>8,450</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 8,450</u>	<u>\$ 21,283</u>	<u>\$ 12,833</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CIVIC AND SOCIAL - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Contributions	\$ 25,650	\$ 21,582	\$ (4,068)
Investment income and miscellaneous	60	95	35
Total Revenues	<u>25,710</u>	<u>21,677</u>	<u>(4,033)</u>
EXPENDITURES			
Current			
Community development	<u>32,000</u>	<u>30,830</u>	<u>1,170</u>
Deficiency of revenues over expenditures	(6,290)	(9,153)	(2,863)
OTHER FINANCING SOURCES			
Sale of city property	<u>14,400</u>	<u>12,902</u>	<u>(1,498)</u>
Net Change in Fund Balance	8,110	3,749	(4,361)
FUND BALANCE - Beginning	<u>108,319</u>	<u>108,319</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 116,429</u>	<u>\$ 112,068</u>	<u>\$ (4,361)</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
LIBRARY - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Contributions	\$ 25,000	\$ 23,876	\$ (1,124)
Investment income and miscellaneous	<u>25,000</u>	<u>191,276</u>	<u>166,276</u>
Total Revenues	<u>50,000</u>	<u>215,152</u>	<u>165,152</u>
EXPENDITURES			
Current			
Parks, recreation and education	<u>50,000</u>	<u>61,204</u>	<u>(11,204)</u>
Net Change in Fund Balance	-	153,948	153,948
FUND BALANCE - Beginning	<u>957,729</u>	<u>957,729</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 957,729</u>	<u>\$ 1,111,677</u>	<u>\$ 153,948</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
OTHER - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 37,740	\$ 42,710	\$ 4,970
Contributions	30,000	73,936	43,936
Investment income and miscellaneous	<u>100</u>	<u>96</u>	<u>(4)</u>
Total Revenues	<u>67,840</u>	<u>116,742</u>	<u>48,902</u>
EXPENDITURES			
Current			
Public safety	<u>77,740</u>	<u>84,164</u>	<u>(6,424)</u>
Excess (deficiency) of revenues over expenditures	(9,900)	32,578	42,478
OTHER FINANCING USES			
Transfers out	<u>-</u>	<u>(12,343)</u>	<u>(12,343)</u>
Net Change in Fund Balance	(9,900)	20,235	30,135
FUND BALANCE - Beginning	<u>124,845</u>	<u>124,845</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 114,945</u>	<u>\$ 145,080</u>	<u>\$ 30,135</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CEMETERY PERPETUAL CARE - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment income and miscellaneous	<u>\$ 40,000</u>	<u>\$ 72,789</u>	<u>\$ 32,789</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>40,000</u>	<u>72,789</u>	<u>32,789</u>
OTHER FINANCING USES			
Transfers out	<u>(25,000)</u>	<u>(16,738)</u>	<u>8,262</u>
Net Change in Fund Balance	15,000	56,051	41,051
FUND BALANCE - Beginning	<u>1,204,632</u>	<u>1,204,632</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 1,219,632</u>	<u>\$ 1,260,683</u>	<u>\$ 41,051</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CEMETERY FLOWERS - SPECIAL REVENUE FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment income and miscellaneous	<u>\$ 300</u>	<u>\$ 171</u>	<u>\$ (129)</u>
EXPENDITURES			
Current			
Health and welfare	<u>3,500</u>	<u>3,380</u>	<u>120</u>
Net Change in Fund Balance	(3,200)	(3,209)	(9)
FUND BALANCE - Beginning	<u>181,327</u>	<u>181,327</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 178,127</u>	<u>\$ 178,118</u>	<u>\$ (9)</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -
TIF DISTRICT NO. 5 - CAPITAL PROJECTS FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 4,590	\$ 2,745	\$ (1,845)
EXPENDITURES			
Capital Outlay			
Capital improvements	<u>706,888</u>	<u>105,075</u>	<u>601,813</u>
Deficiency of revenues over expenditures	<u>(702,298)</u>	<u>(102,330)</u>	<u>599,968</u>
OTHER FINANCING SOURCES			
Long-term debt issued	<u>235,000</u>	<u>235,000</u>	<u>-</u>
Net Change in Fund Balance	(467,298)	132,670	599,968
FUND BALANCE - Beginning	<u>85,884</u>	<u>85,884</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (381,414)</u>	<u>\$ 218,554</u>	<u>\$ 599,968</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
TIF DISTRICT NO. 6 - CAPITAL PROJECTS FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Capital Outlay	<u>293,680</u>	<u>53,099</u>	<u>240,581</u>
Deficiency of revenues over expenditures	<u>(293,680)</u>	<u>(53,099)</u>	<u>240,581</u>
OTHER FINANCING SOURCES			
Long-term debt issued	<u>103,700</u>	<u>103,700</u>	<u>-</u>
Net Change in Fund Balance	(189,980)	50,601	240,581
FUND BALANCE - Beginning	<u>217,022</u>	<u>217,022</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 27,042</u>	<u>\$ 267,623</u>	<u>\$ 240,581</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -
FACILITIES - CAPITAL PROJECTS FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 225,000	\$ 298,800	\$ 73,800
Contributions	<u>75,000</u>	<u>50,000</u>	<u>(25,000)</u>
Total Revenues	<u>300,000</u>	<u>348,800</u>	<u>48,800</u>
EXPENDITURES			
Capital Outlay	<u>961,565</u>	<u>472,196</u>	<u>489,369</u>
Deficiency of revenues over expenditures	(661,565)	(123,396)	538,169
OTHER FINANCING SOURCES			
Long-term debt issued	<u>288,240</u>	<u>288,240</u>	<u>-</u>
Net Change in Fund Balance	(373,325)	164,844	538,169
FUND BALANCE (DEFICIT) - Beginning	<u>(91,033)</u>	<u>(91,033)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (464,358)</u>	<u>\$ 73,811</u>	<u>\$ 538,169</u>

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL EQUIPMENT - CAPITAL PROJECTS FUND
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Capital Outlay	1,285,864	891,011	394,853
Excess (deficiency) of revenues over expenditures	(1,285,864)	(891,011)	394,853
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	1,152,430	1,152,430	-
Sale of city property	-	5,474	5,474
Transfers in	-	2,851	2,851
Transfers out	-	(185,290)	(185,290)
Total Other Financing Sources (Uses)	1,152,430	975,465	(176,965)
Net Change in Fund Balance	(133,434)	84,454	217,888
FUND BALANCE - Beginning	479,785	479,785	-
FUND BALANCE - Ending	\$ 346,351	\$ 564,239	\$ 217,888

CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
EQUIPMENT REPLACEMENT - CAPITAL PROJECTS FUND
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment income and miscellaneous	\$ 153,450	\$ 157,024	\$ 3,574
EXPENDITURES			
Capital Outlay	206,470	76,385	130,085
Deficiency of revenues over expenditures	(53,020)	80,639	133,659
OTHER FINANCING SOURCES (USES)			
Sale of city property	-	840	840
Transfers out	-	(2,851)	(2,851)
Total Other Financing Sources (Uses)	-	(2,011)	(2,011)
Net Change in Fund Balance	(53,020)	78,628	131,648
FUND BALANCE - Beginning	165,882	165,882	-
FUND BALANCE - Ending	<u>\$ 112,862</u>	<u>\$ 244,510</u>	<u>\$ 131,648</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments on a cost-reimbursement basis.

FLEET MANAGEMENT

To account for service and maintenance performed on all City-owned vehicles and equipment. Revenue is earned through charges for services to affected City departments.

BENEFIT ACCRUAL

To account for collections from City departments and employees used to finance the City's employee fringe benefits plan including health and dental self-insurance programs.

INSURANCE

To account for the provision of casualty insurance and risk protection to the organizations and agencies of the City. All charges and expenses to provide such services are accounted for in this fund.

INFORMATION SYSTEMS

To account for I/T and printing services provided to all city departments and outside entities. Revenue is earned through charges for services to affected City departments and outside entities.

CITY OF NEENAH

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
As of December 31, 2013

	<u>Fleet Management</u>	<u>Benefit Accrual</u>	<u>Insurance</u>	<u>Information Systems</u>	<u>Totals</u>
ASSETS					
Current Assets					
Cash and investments	\$ 124,877	\$ 1,652	\$ 234,737	\$ 77	\$ 361,343
Accounts receivable	5,745	184,453	-	10,200	200,398
Due from other funds	-	2,100	-	-	2,100
Inventories	203,643	-	-	-	203,643
Prepaid items	<u>750</u>	<u>18,774</u>	<u>-</u>	<u>26,681</u>	<u>46,205</u>
Total Current Assets	<u>335,015</u>	<u>206,979</u>	<u>234,737</u>	<u>36,958</u>	<u>813,689</u>
Non Current Assets					
Deposit with risk pool	-	-	1,117,155	-	1,117,155
Advances to other funds	<u>-</u>	<u>3,146,000</u>	<u>-</u>	<u>-</u>	<u>3,146,000</u>
Total Non Current Assets	<u>-</u>	<u>3,146,000</u>	<u>1,117,155</u>	<u>-</u>	<u>4,263,155</u>
 Total Assets	 <u>335,015</u>	 <u>3,352,979</u>	 <u>1,351,892</u>	 <u>36,958</u>	 <u>5,076,844</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
Current Liabilities					
Accounts payable	36,802	438,114	17,205	1,501	493,622
Claims payable	-	390,383	161,736	-	552,119
Due to other funds	-	-	-	9,000	9,000
Compensated absences payable	<u>-</u>	<u>873,851</u>	<u>-</u>	<u>2,816</u>	<u>876,667</u>
Total Current Liabilities	<u>36,802</u>	<u>1,702,348</u>	<u>178,941</u>	<u>13,317</u>	<u>1,931,408</u>
Noncurrent Liabilities					
Compensated absences payable	15,494	1,335,219	-	15,986	1,366,699
Other post-employment benefits	<u>6,795</u>	<u>-</u>	<u>-</u>	<u>7,655</u>	<u>14,450</u>
Total Noncurrent Liabilities	<u>22,289</u>	<u>1,335,219</u>	<u>-</u>	<u>23,641</u>	<u>1,381,149</u>
 Total Liabilities	 <u>59,091</u>	 <u>3,037,567</u>	 <u>178,941</u>	 <u>36,958</u>	 <u>3,312,557</u>
Deferred Inflows of Resources					
Unearned revenue	<u>-</u>	<u>14,302</u>	<u>-</u>	<u>-</u>	<u>14,302</u>
NET POSITION					
Unrestricted	<u>275,924</u>	<u>301,110</u>	<u>1,172,951</u>	<u>-</u>	<u>1,749,985</u>
 TOTAL NET POSITION	 <u>\$ 275,924</u>	 <u>\$ 301,110</u>	 <u>\$ 1,172,951</u>	 <u>\$ -</u>	 <u>\$ 1,749,985</u>

CITY OF NEENAH

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2013

	<u>Fleet Management</u>	<u>Benefit Accrual</u>	<u>Insurance</u>	<u>Information Systems</u>	<u>Totals</u>
OPERATING REVENUES					
Charges for services	\$ 643,978	\$ 8,210,068	\$ 50,000	\$ 678,258	\$ 9,582,304
Total Revenues	<u>643,978</u>	<u>8,210,068</u>	<u>50,000</u>	<u>678,258</u>	<u>9,582,304</u>
OPERATING EXPENSES					
Information technology	-	-	-	613,490	613,490
Retirement system expense	-	3,783,029	-	-	3,783,029
Public works	589,481	-	-	-	589,481
Health claims and other employee benefits	-	4,629,274	-	-	4,629,274
Contractual services	-	-	189,117	-	189,117
Total Operating Expenses	<u>589,481</u>	<u>8,412,303</u>	<u>189,117</u>	<u>613,490</u>	<u>9,804,391</u>
Operating Income (Loss)	54,497	(202,235)	(139,117)	64,768	(222,087)
Transfers out	<u>(54,497)</u>	<u>(250,000)</u>	<u>-</u>	<u>(61,909)</u>	<u>(366,406)</u>
Change in Net Position	-	(452,235)	(139,117)	2,859	(588,493)
TOTAL NET POSITION - Beginning	<u>275,924</u>	<u>753,345</u>	<u>1,312,068</u>	<u>(2,859)</u>	<u>2,338,478</u>
TOTAL NET POSITION - Ending	<u>\$ 275,924</u>	<u>\$ 301,110</u>	<u>\$ 1,172,951</u>	<u>\$ -</u>	<u>\$ 1,749,985</u>

CITY OF NEENAH

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2013

	Fleet Management	Benefit Accrual	Insurance	Information Systems	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from other funds of the city	\$ 644,596	\$ 8,245,710	\$ 50,000	\$ 678,246	\$ 9,618,552
Paid to suppliers for goods and services	<u>(581,828)</u>	<u>(7,934,021)</u>	<u>(173,166)</u>	<u>(616,261)</u>	<u>(9,305,276)</u>
Net Cash Provided by Operating Activities	<u>62,768</u>	<u>311,689</u>	<u>(123,166)</u>	<u>61,985</u>	<u>313,276</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances for cash deficits	-	(60,040)	-	-	(60,040)
Transfers out	<u>(54,497)</u>	<u>(250,000)</u>	-	<u>(61,909)</u>	<u>(366,406)</u>
Net Cash Used by Noncapital Financing Activities	<u>(54,497)</u>	<u>(310,040)</u>	-	<u>(61,909)</u>	<u>(426,446)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 8,271	 1,649	 (123,166)	 76	 (113,170)
CASH AND CASH EQUIVALENTS - Beginning	<u>116,606</u>	<u>3</u>	<u>357,903</u>	<u>1</u>	<u>474,513</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 124,877</u>	<u>\$ 1,652</u>	<u>\$ 234,737</u>	<u>\$ 77</u>	<u>\$ 361,343</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 54,497	\$ (202,235)	\$ (139,117)	\$ 64,768	\$ (222,087)
Adjustments to operating income (loss) to net cash flows from operating activities:					
Change in assets, liabilities, and deferred inflows:					
Accounts receivable	618	(26,981)	-	(12)	(26,375)
Due from other funds	-	65,970	-	(13,470)	52,500
Inventories	(5,993)	-	-	-	(5,993)
Prepaid items	-	22,059	-	6,091	28,150
Accounts payable	9,112	241,488	15,951	414	266,965
Claims payable	-	37,797	-	-	37,797
Unearned revenue	-	(3,347)	-	-	(3,347)
Compensated absences	2,819	176,938	-	2,307	182,064
Other post-employment benefits	<u>1,715</u>	<u>-</u>	<u>-</u>	<u>1,887</u>	<u>3,602</u>
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ 62,768</u>	 <u>\$ 311,689</u>	 <u>\$ (123,166)</u>	 <u>\$ 61,985</u>	 <u>\$ 313,276</u>

NONCASH ACTIVITIES

None

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other government units. These include Expendable Trusts, Nonexpendable Trusts, and Agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

AGENCY FUNDS

ADVANCE TAX COLLECTIONS

To account for the advance City collections of property taxes and the corresponding liability to other governmental units.

MUNICIPAL COURT

To account for the receipts and disbursements of the Menasha-Neenah Joint Municipal Court.

NEENAH-MENASHA FIRE RESCUE

To account for the assets and liabilities for the Neenah-Menasha Fire Rescue which began on January 1, 2003.

OTHER

To account for the assets and liabilities of a security deposit held by the City for Time Warner Cable.

CITY OF NEENAH

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS As of December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ADVANCE TAX COLLECTIONS				
Assets				
Cash and investments	\$ 20,595,656	\$ 19,070,594	\$ 20,595,656	\$ 19,070,594
Property taxes receivable	7,878,820	8,682,864	7,878,820	8,682,864
TOTAL ASSETS	\$ 28,474,476	\$ 27,753,458	\$ 28,474,476	\$ 27,753,458
Liabilities				
Accounts payable	\$ 6,917	\$ 24,189	\$ 6,917	\$ 24,189
Due to other governmental units	28,467,559	27,729,269	28,467,559	27,729,269
TOTAL LIABILITIES	\$ 28,474,476	\$ 27,753,458	\$ 28,474,476	\$ 27,753,458
MUNICIPAL COURT				
Assets				
Cash and investments	\$ 107	\$ 581	\$ 107	\$ 581
Accounts receivable	79	13	79	13
Due from other governmental units	211,000	230,937	211,000	230,937
TOTAL ASSETS	\$ 211,186	\$ 231,531	\$ 211,186	\$ 231,531
Liabilities				
Accounts payable	\$ 54,143	\$ 47,992	\$ 54,143	\$ 47,992
Accrued liabilities	3,440	3,606	3,440	3,606
Advances from other governmental units	153,603	179,933	153,603	179,933
TOTAL LIABILITIES	\$ 211,186	\$ 231,531	\$ 211,186	\$ 231,531
NEENAH MENASHA FIRE RESCUE				
Assets				
Cash and investments	\$ 1,738,363	\$ 1,538,925	\$ 1,738,363	\$ 1,538,925
Accounts receivable	12,398	8,176	12,398	8,176
TOTAL ASSETS	\$ 1,750,761	\$ 1,547,101	\$ 1,750,761	\$ 1,547,101
Liabilities				
Accounts payable	\$ 36,889	\$ 35,546	\$ 36,889	\$ 35,546
Accrued liabilities	1,384,181	1,445,782	1,384,181	1,445,782
Due to other governmental units	329,691	65,773	329,691	65,773
TOTAL LIABILITIES	\$ 1,750,761	\$ 1,547,101	\$ 1,750,761	\$ 1,547,101
OTHER				
Assets				
Cash and investments	\$ 5,033	\$ -	\$ -	\$ 5,033
Liabilities				
Accounts payable	\$ 5,033	\$ -	\$ -	\$ 5,033

CITY OF NEENAH

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
As of December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash and investments	\$ 22,339,159	\$ 20,610,100	\$ 22,334,126	\$ 20,615,133
Property taxes receivable	7,878,820	8,682,864	7,878,820	8,682,864
Accounts receivable	12,477	8,189	12,477	8,189
Due from other governmental units	<u>211,000</u>	<u>230,937</u>	<u>211,000</u>	<u>230,937</u>
TOTAL ASSETS	<u>\$ 30,441,456</u>	<u>\$ 29,532,090</u>	<u>\$ 30,436,423</u>	<u>\$ 29,537,123</u>
Liabilities				
Accounts payable	\$ 102,982	\$ 107,727	\$ 97,949	\$ 112,760
Accrued liabilities	1,387,621	1,449,388	1,387,621	1,449,388
Due to other governmental units	28,797,250	27,795,042	28,797,250	27,795,042
Advances from other governmental units	<u>153,603</u>	<u>179,933</u>	<u>153,603</u>	<u>179,933</u>
TOTAL LIABILITIES	<u>\$ 30,441,456</u>	<u>\$ 29,532,090</u>	<u>\$ 30,436,423</u>	<u>\$ 29,537,123</u>

MENASHA-NEENAH MUNICIPAL COURT

OPERATING FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended December 31, 2013

REVENUES

Court Fines and Penalties	
City of Neenah	\$ 273,420
City of Menasha	<u>212,191</u>
Total Revenues	<u>485,611</u>

EXPENDITURES

Salaries	74,905
Fringes	27,687
School/Seminars/Training	20
Postage and Printing	2,020
Audit services	1,335
Maintenance of office equipment	563
Telephone	293
Dues and memberships	725
Translator	55
Debit card services	1,016
Office Supplies	652
Rental of equipment	630
Computer software	59
I/S services	6,434
Software maintenance	6,883
Witness fees	295
City of Menasha	90,463
State of Wisconsin	128,340
Winnebago County	58,523
City of Neenah	<u>104,650</u>
Total Expenditures	<u>505,548</u>

Expenditures Over (Under) Revenues (19,937)

FUND BALANCE (DEFICIT) - Beginning of Year (211,000)

FUND BALANCE (DEFICIT) - END OF YEAR \$ (230,937)

The transactions of the Menasha-Neenah Municipal Court are audited as a part of the City of Neenah. The municipal court fund is accounted for as an agency fund in the City of Neenah's financial statements. The above schedule of revenues, expenditures and changes in fund balance is included for purposes of the Menasha-Neenah Municipal Court.

NEENAH-MENASHA FIRE RESCUE

OPERATING FUND
 SCHEDULE OF CASH COLLECTIONS, DISBURSEMENTS, AND CHANGES
 IN THE CASH BALANCE
 For the Year Ended December 31, 2013

CASH BALANCE - BEGINNING OF YEAR	\$ 1,738,363
CASH COLLECTIONS	
Fire protection fees	
City of Neenah	4,684,429
City of Menasha	<u>3,052,014</u>
Subtotal	7,736,443
Transfer from Public Safety	13,608
Interest on investments	<u>3,106</u>
Total Cash Collections	<u>7,753,157</u>
CASH DISBURSEMENTS	
Salaries	4,721,528
Fringes	2,345,791
School/seminars/training	11,915
Dues and memberships	945
Employee recognition awards	454
Conferences and meetings	2,408
Clothing allowance	29,105
Postage	374
Insurance	53,557
Office supplies	1,907
Safety and other supplies	5,736
Protective equipment	30,063
All other equipment	53,202
Maintenance of software	5,545
Maintenance of PPE/SCBA	5,796
Computer hardware and software and printers/copiers	4,533
Electricity	57,417
Natural gas	26,600
Telephone and cell phone	5,632
Utilities	13,736
Outside services	20,158
Professional services	7,392
Gasoline and oil	34,570
Vehicles	69,682
Training	901
Commercial dumpster	675
Equipment maintenance and rental	8,300
Other facility outlay	5,436
Cleaning	10,325
FVTC reimbursements	(13,471)
Finance services	21,800
I/S services	111,441
HR services	27,880
Miscellaneous	<u>6,982</u>
Total Cash Disbursements	<u>7,688,315</u>
Collections over Disbursements	64,842
Reconciling items to account for conversion from modified accrual to cash basis:	
Change in accounts receivable	4,222
Change in accounts payable	(1,343)
Change in accrued liabilities	61,601
Change in due to other governments	<u>(328,760)</u>
Total reconciling items	<u>(264,280)</u>
CASH BALANCE - END OF YEAR	<u>1,538,925</u>
Cash assigned for:	
Distribution back to Neenah	
2013 Operating Funds Not Spent	12,875
Distribution back to Menasha	
2013 Operating Funds Not Spent	8,403
Distribution of future benefits	1,482,100
Payment of outstanding vendor invoices	<u>35,547</u>
	\$ <u>1,538,925</u>

The transactions of the Neenah-Menasha Fire Rescue are audited as a part of the City of Neenah. The Fire Rescue is accounted for as an agency fund in the City of Neenah's financial statements. The above schedule of cash collections, disbursements, and changes in cash balances is included for purposes of the Neenah-Menasha Fire Rescue.

CITY OF NEENAH

PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Beginning of Project to December 31, 2013

TIF DISTRICT NO. 5 FUND

TOTAL AUTHORIZATIONS	\$ 7,872,808
REVENUES AND OTHER FINANCING SOURCES	
Intergovernmental	\$ 79,155
Special assessments	25,000
Contributions	18,986
Investment income and miscellaneous	877
Long-term debt issued	6,201,700
Transfers in	1,902,871
Sale of city properties	150,000
Total Revenues and Other Financing Sources	<u>\$ 8,378,589</u>
EXPENDITURES AND OTHER FINANCING USES	
Capital improvements	\$ 8,079,222
Transfers out	80,813
Total Expenditures and Other Financing Uses	<u>\$ 8,160,035</u>
FUND BALANCE - December 31, 2013	<u>\$ 218,554</u>

TIF DISTRICT NO. 6 FUND

TOTAL AUTHORIZATIONS	\$ 4,738,836
REVENUES AND OTHER FINANCING SOURCES	
Intergovernmental	\$ 72,597
Long-term debt issued	5,579,536
Sales of city properties	216,648
Total Revenues and Other Financing Sources	<u>\$ 5,868,781</u>
EXPENDITURES AND OTHER FINANCING USES	
Capital improvements	\$ 3,848,182
Transfers out	1,752,976
Total Expenditures and Other Financing Uses	<u>\$ 5,601,158</u>
FUND BALANCE - December 31, 2013	<u>\$ 267,623</u>

CITY OF NEENAH

PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Beginning of Project to December 31, 2013

TIF DISTRICT NO. 7 FUND

TOTAL AUTHORIZATIONS	\$ 13,385,000
REVENUES AND OTHER FINANCING SOURCES	
Intergovernmental	\$ 147,236
Special assessments	58,049
Contributions	2,510
Investment income and miscellaneous	47,693
Long-term debt issued	18,628,400
Sales of city properties	42,678
Total Revenues and Other Financing Sources	<u>\$ 18,926,566</u>
EXPENDITURES	
Capital improvements	<u>\$ 17,911,528</u>
FUND BALANCE - December 31, 2013	<u>\$ 1,015,038</u>

TIF DISTRICT NO. 8 FUND

TOTAL AUTHORIZATIONS	\$ 35,218,850
REVENUES AND OTHER FINANCING SOURCES	
Intergovernmental	\$ 2,414,303
Contributions	336,414
Investment income and miscellaneous	726,258
Capital lease issued	22,475,000
Long-term debt issued	11,500,556
Transfers in	575,813
Total Other Financing Sources	<u>\$ 38,028,344</u>
EXPENDITURES AND OTHER FINANCING USES	
Capital improvements	\$ 32,916,620
Transfers out	3,987,019
Total Expenditures and Other Financing Uses	<u>\$ 36,903,639</u>
FUND BALANCE - December 31, 2013	<u>\$ 1,124,705</u>

**COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF NEENAH**

STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2013

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal received on lease receivable from primary government	\$ 25,000
Principal paid on lease revenue bonds	(25,000)
Interest paid on lease revenue bonds	<u>(1,048,696)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(1,048,696)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from advance refunding	143,000
Investment income	<u>1,048,696</u>
Net Cash Flows From Investing Activities	<u>1,191,696</u>

Net Increase in Cash and Cash Equivalents 143,000

CASH AND CASH EQUIVALENTS - Beginning of Year 2,188,786

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 2,331,786

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO
THE STATEMENT OF NET POSITION**

Restricted cash and investments \$ 2,331,786

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 2,331,786

NONCASH FINANCING ACTIVITY

Treasuries purchased with bond proceeds net of amount contributed by CDA	<u>\$ 17,051,062</u>
Refunding of 2004 CDA lease revenue bonds by escrow agent	<u>\$ 16,190,000</u>
Debt issuance costs paid directly by escrow agent from bond proceeds	<u>\$ 425,850</u>

CITY OF NEENAH, WISCONSIN
Introduction to the Statistical Section
December 30, 2013

STATISTICAL SECTION

This part of the City's Comprehensive Annual Finance Report presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends – Schedules 1 - 5 These schedules contain trends information to help the reader understand how the City's financial performance and well being have changed over time.	127 – 132
Revenue Capacity – Schedules 6 - 9 These schedules contain information to help the reader assess the factors affecting the City's ability to generate the City's most significant one-source revenue, property taxes.	133 – 136
Debt Capacity – Schedules 10 - 14 These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	137 – 141
Demographic and Economic Information – Schedules 15 - 17 These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	142 – 144
Operating Information – Schedules 18 - 19 These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	145 – 146

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in 2003.

Schedule 1

City of Neenah, Wisconsin
Net Position by Component
Last Ten Fiscal Years
 (accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets	\$65,677,676	\$65,336,390	\$70,582,540	\$74,056,995	\$74,315,573	\$70,310,050	\$70,932,949	\$81,655,241	\$81,646,601	\$81,134,838
Restricted	1,674,175	1,820,877	2,505,588	2,603,454	3,004,174	2,849,403	2,964,224	3,209,959	4,075,167	4,122,877
Unrestricted	2,168,525	4,097,961	3,012,525	1,186,530	(1,530,255)	(1,830,075)	(1,668,489)	(8,326,135)	(7,911,929)	(5,474,461)
Total governmental activities net position	69,520,376	71,255,228	76,100,653	77,846,979	75,789,492	71,329,378	72,228,684	76,539,065	77,809,839	79,783,254
Business-Type Activities										
Net investment in capital assets	35,965,922	36,703,405	38,807,074	37,125,606	41,011,047	41,028,914	42,233,174	42,668,356	44,548,856	46,259,804
Restricted	953,999	1,447,431	1,838,757	1,091,973	1,117,561	1,148,894	1,164,805	1,314,505	1,431,753	1,232,260
Unrestricted	3,967,288	4,171,463	6,049,873	9,768,518	8,852,065	7,678,523	7,083,762	9,291,469	10,063,882	9,984,282
Total business-type activities net position	40,887,209	42,322,299	46,695,704	47,986,097	50,980,673	49,856,331	50,481,741	53,274,330	56,044,491	57,476,346
Primary Government										
Net investment in capital assets	101,643,598	102,039,795	109,389,614	111,182,601	115,326,620	111,338,964	113,166,123	124,323,597	124,804,227	126,159,388
Restricted	2,628,174	3,268,308	4,344,345	3,695,427	4,121,735	3,998,297	4,129,029	4,524,464	5,506,920	5,355,137
Unrestricted	6,135,813	8,269,424	9,062,398	10,955,048	7,321,810	5,848,448	5,415,273	965,334	3,543,183	5,745,075
Total primary government activities net position	\$110,407,585	\$113,577,527	\$122,796,357	\$125,833,076	\$126,770,165	\$121,185,709	\$122,710,425	\$129,813,395	\$133,854,330	\$137,259,600

Schedule 2

City of Neenah, Wisconsin
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008
Expenses					
Governmental activities:					
General government	\$2,603,615	\$2,074,301	\$2,453,666	\$2,560,879	\$2,710,507
Public safety	8,504,629	9,034,094	9,059,295	9,419,033	9,921,151
Public works	6,168,249	6,981,173	5,339,989	4,274,646	9,040,838
Recycling	573,111	643,263	642,005	522,043	507,984
Parks, recreation & education	3,410,868	4,152,651	4,132,236	4,221,629	4,198,833
Health & welfare	531,378	546,156	515,838	535,684	566,283
Community development	1,164,296	1,446,168	3,688,789	2,844,927	1,578,516
Other	210,926	214,696	-	-	-
Interest & fiscal charges	1,219,078	2,067,732	2,351,335	2,625,780	2,628,300
Total Governmental Activities Expenses	<u>24,386,150</u>	<u>27,160,234</u>	<u>28,183,153</u>	<u>27,004,621</u>	<u>31,152,412</u>
Business-type activities:					
Water utility	3,842,888	3,997,970	4,477,894	5,624,870	5,757,901
Sewerage disposal utility	2,019,841	2,171,010	2,102,865	2,292,180	2,456,071
Stormwater utility	710,234	699,669	732,238	891,969	1,153,855
Other proprietary fund	16,435	128,620	202,365	201,210	226,243
Total Business-type Activities Expenses	<u>6,589,398</u>	<u>6,997,269</u>	<u>7,515,362</u>	<u>9,010,229</u>	<u>9,594,070</u>
Total Primary Government Expenses	<u>\$30,975,548</u>	<u>\$34,157,503</u>	<u>\$35,698,515</u>	<u>\$36,014,850</u>	<u>\$40,746,482</u>
Program Revenues					
Governmental activities:					
Charges for services:	\$2,398,081	\$2,457,857	\$2,610,157	\$2,613,505	\$2,729,321
Operating grants and contributions	1,091,239	1,106,486	987,486	1,512,247	1,612,984
Capital grants and contributions	3,353,463	4,086,365	7,185,492	1,276,468	1,231,811
Total Governmental Activities Program Revenues	<u>6,842,783</u>	<u>7,650,708</u>	<u>10,783,135</u>	<u>5,402,220</u>	<u>5,574,116</u>
Business-type activities:					
Charges for services:					
Water utility	4,147,848	5,710,609	6,604,585	7,296,332	6,795,104
Sewerage disposal utility	1,923,026	1,933,862	2,076,306	2,132,176	1,805,365
Stormwater utility	1,080,769	1,080,819	1,106,990	1,094,691	1,150,178
Other proprietary fund	148,425	164,172	205,000	216,370	218,668
Total Charges for Services	<u>7,300,068</u>	<u>8,889,462</u>	<u>9,992,881</u>	<u>10,739,569</u>	<u>9,969,315</u>
Operating grants and contributions	0	50,943	4,236	34,760	11,077
Capital grants and contributions	2,281,448	795,152	3,225,923	94,584	2,288,806
Total Business-type Activities Program Revenues	<u>9,581,516</u>	<u>9,735,557</u>	<u>13,223,040</u>	<u>10,868,913</u>	<u>12,269,198</u>
Total Primary Government Program Revenues	<u>\$16,424,299</u>	<u>\$17,386,265</u>	<u>\$24,006,175</u>	<u>\$16,271,133</u>	<u>\$17,843,314</u>
Net (Expenses)/Revenue					
Governmental activities	(\$17,543,367)	(\$19,509,526)	(\$17,400,018)	(\$21,602,401)	(\$25,578,296)
Business-type activities	2,992,118	2,738,288	5,707,678	1,858,684	2,675,128
Total primary government net expense	<u>(\$14,551,249)</u>	<u>(\$16,771,238)</u>	<u>(\$11,692,340)</u>	<u>(\$19,743,717)</u>	<u>(\$22,903,168)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$13,330,633	\$14,055,618	\$14,644,289	\$15,595,647	\$16,560,611
Other taxes	39,897	43,538	57,874	45,550	43,678
Intergovernmental revenues not restricted to specific programs	4,393,268	4,100,095	3,938,413	4,173,838	4,256,243
Public gifts and/or grants	5,163	30,009	13,263	3,673	6,181
Investment income	633,092	746,885	1,356,847	1,626,554	625,698
Miscellaneous	933,014	485,121	414,922	525,284	604,963
Transfers	2,009,688	1,783,112	1,819,835	1,378,181	1,423,435
Total Governmental Activities	<u>21,344,755</u>	<u>21,244,378</u>	<u>22,245,443</u>	<u>23,348,727</u>	<u>23,520,809</u>
Business-type Activities:					
Other taxes	0	82,000	35,000	148,010	149,760
Investment income	276,759	175,744	443,046	630,033	262,704
Gain on Sale of Capital Asset/Miscellaneous	56,643	34,417	7,516	31,847	12,685
Transfers	(2,009,688)	(1,783,112)	(1,819,835)	(1,378,181)	(1,423,435)
Total Business-type Activities	<u>(1,676,286)</u>	<u>(1,490,951)</u>	<u>(1,334,273)</u>	<u>(568,291)</u>	<u>(998,286)</u>
Total Primary Government	<u>\$19,668,469</u>	<u>\$19,753,427</u>	<u>\$20,911,170</u>	<u>\$22,780,436</u>	<u>\$22,522,523</u>
Change in Net Position					
Governmental activities	\$3,801,388	\$1,734,852	\$4,845,425	\$1,746,326	(\$2,057,487)
Business-type activities	1,315,832	1,247,337	4,373,405	1,290,393	1,676,842
Total Primary Government Change in Net Position	<u>\$5,117,220</u>	<u>\$2,982,189</u>	<u>\$9,218,830</u>	<u>\$3,036,719</u>	<u>(\$380,645)</u>

Schedule 2

City of Neenah, Wisconsin
 Change in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

Fiscal Year				
2009	2010	2011	2012	2013
\$2,768,721	\$2,466,994	\$2,365,644	\$2,362,306	\$2,648,878
10,127,294	10,700,825	11,334,171	10,970,949	10,522,364
10,373,160	7,232,170	6,444,805	7,491,434	7,785,260
464,957	507,448	536,598	477,741	510,705
4,294,016	4,444,400	4,712,367	4,312,726	3,984,727
603,072	566,791	592,293	365,020	34,679
1,494,557	1,741,830	1,720,365	1,622,521	1,511,981
-	-	-	-	-
<u>2,710,116</u>	<u>2,607,949</u>	<u>2,575,218</u>	<u>2,768,349</u>	<u>3,074,953</u>
<u>32,835,893</u>	<u>30,268,407</u>	<u>30,281,461</u>	<u>30,371,046</u>	<u>30,073,547</u>
5,567,109	5,664,153	5,515,427	5,729,773	5,977,085
3,112,296	2,834,696	3,062,907	2,567,948	3,340,100
1,147,804	1,151,825	1,072,497	1,038,419	1,276,294
231,699	192,469	224,971	218,765	250,744
<u>10,058,908</u>	<u>9,843,143</u>	<u>9,875,802</u>	<u>9,554,905</u>	<u>10,844,223</u>
<u>\$42,894,801</u>	<u>\$40,111,550</u>	<u>\$40,157,263</u>	<u>\$39,925,951</u>	<u>\$40,917,770</u>
\$2,748,538	\$2,715,534	\$3,072,815	\$3,337,909	\$3,131,765
1,482,633	1,488,315	900,733	721,953	984,782
454,393	1,023,596	5,341,773	1,773,195	946,701
<u>4,685,564</u>	<u>5,227,445</u>	<u>9,315,321</u>	<u>5,833,057</u>	<u>5,063,248</u>
6,543,242	6,654,836	8,798,241	9,143,821	8,343,050
2,336,669	3,076,452	3,778,864	3,669,835	3,999,498
1,282,547	1,648,620	1,676,896	1,680,337	1,693,528
<u>177,426</u>	<u>202,106</u>	<u>260,162</u>	<u>260,027</u>	<u>290,886</u>
10,339,884	11,582,014	14,514,163	14,754,020	14,326,962
-	-	-	-	-
455,401	820,333	238,508	(245,447)	157,112
<u>10,795,285</u>	<u>12,402,347</u>	<u>14,752,671</u>	<u>14,508,573</u>	<u>14,484,074</u>
<u>\$15,480,849</u>	<u>\$17,629,792</u>	<u>\$24,067,992</u>	<u>\$20,341,630</u>	<u>\$19,547,322</u>
(\$28,150,329)	(\$25,040,962)	(\$20,966,140)	(\$24,537,989)	(\$25,010,299)
736,377	2,559,204	4,876,869	4,953,668	3,639,851
<u>(\$27,413,952)</u>	<u>(\$22,481,758)</u>	<u>(\$16,089,271)</u>	<u>(\$19,584,321)</u>	<u>(\$21,370,448)</u>
\$17,232,207	\$17,782,554	\$18,160,266	\$18,706,015	\$19,658,906
43,321	38,015	40,008	32,021	11,925
4,307,713	4,108,302	3,985,219	3,605,254	3,915,415
1,900	-	-	-	-
631,389	535,483	348,909	405,024	226,475
131,151	594,088	544,059	765,047	883,270
2,115,534	2,108,826	2,198,060	2,295,402	2,287,723
<u>24,463,215</u>	<u>25,167,268</u>	<u>25,276,521</u>	<u>25,808,763</u>	<u>26,983,714</u>
125,000	75,000	40,000	71,800	50,000
66,929	90,897	44,819	31,566	26,120
62,886	9,135	28,961	8,529	3,607
(2,115,534)	(2,108,826)	(2,198,060)	(2,295,402)	(2,287,723)
<u>(1,860,719)</u>	<u>(1,933,794)</u>	<u>(2,084,280)</u>	<u>(2,183,507)</u>	<u>(2,207,996)</u>
<u>\$22,602,496</u>	<u>\$23,233,474</u>	<u>\$23,192,241</u>	<u>\$23,625,256</u>	<u>\$24,775,718</u>
(\$3,687,114)	\$126,306	\$4,310,381	\$1,270,774	\$1,973,415
(1,124,342)	625,410	2,792,589	2,770,161	1,431,855
<u>(\$4,811,456)</u>	<u>\$751,716</u>	<u>\$7,102,970</u>	<u>\$4,040,935</u>	<u>\$3,405,270</u>

Schedule 3

City of Neenah, Wisconsin
 Program Revenues by Function/Program
 Last Ten Fiscal Years
 (accrual basis of accounting)

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
General government	\$492,921	\$587,843	\$706,695	\$661,268	\$672,933	\$719,570	\$686,787	\$729,751	\$739,512	\$729,554
Public safety	388,021	376,039	476,350	439,285	560,235	498,845	534,162	473,636	470,230	476,169
Public works	3,105,489	3,593,145	5,574,677	1,254,155	1,321,599	821,993	658,687	4,901,668	505,609	677,605
Recycling	286,710	277,421	270,833	384,924	502,217	301,868	405,181	254,650	341,024	496,902
Parks, recreation & education	1,116,390	1,653,854	2,025,154	1,483,918	1,400,488	1,361,552	1,432,587	1,573,637	1,962,575	1,515,604
Health & welfare	293,859	284,999	345,270	328,943	338,447	320,447	301,664	366,466	195,917	79,282
Community development	1,159,393	877,407	1,384,156	849,727	778,197	661,289	1,208,377	1,015,513	1,618,190	1,088,132
Total Governmental Activities Program Revenues	6,842,783	7,650,708	10,783,135	5,402,220	5,574,116	4,685,564	5,227,445	9,315,321	5,833,057	5,063,248
Business-type activities:										
Water utility	4,780,359	5,837,866	7,208,770	7,321,225	7,360,675	6,604,807	7,198,503	8,825,597	8,856,374	8,360,827
Sewerage disposal utility	2,733,663	2,001,971	2,627,511	2,145,250	3,150,801	2,348,002	3,077,464	3,778,864	3,709,635	4,137,075
Stormwater utility	1,919,069	1,731,548	3,181,759	1,186,068	1,539,054	1,665,050	1,924,274	1,888,048	1,682,537	1,695,286
Other proprietary fund	148,425	164,172	205,000	216,370	218,668	177,426	202,106	260,162	260,027	290,886
Total Business-type Activities Program Revenues	9,581,516	9,735,557	13,223,040	10,868,913	12,269,198	10,795,285	12,402,347	14,752,671	14,508,573	14,484,074
Total Primary Government Program Revenues	\$16,424,299	\$17,386,265	\$24,006,175	\$16,271,133	\$17,843,314	\$15,480,849	\$17,629,792	\$24,067,992	\$20,341,630	\$19,547,322

Schedule 4

City of Neenah, Wisconsin
Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	38,946	97,977	95,531	95,242	220,626	100,169	89,377	-	-	-
Unreserved	4,659,042	3,808,877	4,172,178	4,634,255	4,312,719	4,177,445	4,044,338	-	-	-
Nonspendable	-	-	-	-	-	-	-	196,731	213,867	100,257
Assigned	-	-	-	-	-	-	-	226,579	117,790	74,421
Unassigned	-	-	-	-	-	-	-	3,290,715	3,621,301	3,782,035
Total General Fund	\$4,697,988	\$3,906,854	\$4,267,709	\$4,729,497	\$4,533,345	\$4,277,614	\$4,133,715	\$3,714,025	\$3,952,958	\$3,956,713
Other Governmental Funds										
Reserved	\$16,734,962	\$6,013,155	\$8,680,995	\$9,761,156	\$14,746,175	\$14,547,065	\$9,140,146	-	-	-
Unreserved:										
Special Revenue Funds	840,001	459,827	(1,762,743)	(2,967,910)	(3,299,476)	(5,735,291)	(4,260,324)	-	-	-
Capital Project Funds	3,216,320	4,760,926	7,222,151	3,857,304	748,526	3,093,416	(10,667)	-	-	-
Nonspendable	-	-	-	-	-	-	-	5,110,108	4,403,864	892,229
Restricted	-	-	-	-	-	-	-	4,703,138	6,815,761	8,318,015
Committed	-	-	-	-	-	-	-	1,191,730	998,859	1,135,457
Assigned	-	-	-	-	-	-	-	658,364	658,786	4,119,924
Unassigned (deficit)	-	-	-	-	-	-	-	(7,704,171)	(8,030,941)	(6,019,537)
Total Other Governmental Funds	\$20,791,283	\$11,233,908	\$14,140,403	\$10,650,550	\$12,195,225	\$11,905,190	\$4,869,155	\$3,959,169	\$4,846,329	\$8,446,088
Total All Governmental Funds	\$25,489,271	\$15,140,762	\$18,408,112	\$15,380,047	\$16,728,570	\$16,182,804	\$9,002,870	\$7,673,194	\$8,799,287	\$12,402,801

Note: The City implemented GASB Statement No. 54-Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement establishes new fund balance classifications, which are based primarily on the extent to which the City is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable to the fund balance categories used prior to 2011.

Schedule 5

City of Neenah, Wisconsin
Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$13,370,415	\$14,099,037	\$14,694,722	\$15,647,986	\$16,604,187	\$17,275,468	\$17,463,554	\$18,038,420	\$18,593,242	\$19,897,356
Intergovernmental	5,610,328	5,158,957	5,658,704	5,607,111	5,672,702	5,690,668	5,927,091	5,268,396	5,739,668	5,311,539
Licenses and permits	365,969	309,516	230,534	215,775	298,149	209,369	236,438	272,417	381,153	277,171
Fines, forfeitures and penalties	116,862	129,767	134,532	125,993	134,379	129,116	126,060	114,095	130,272	108,058
Special assessments	290,582	576,280	555,488	246,238	320,726	420,556	485,784	292,000	391,991	339,146
Charges for services	1,847,777	2,035,522	2,234,452	2,229,135	2,343,395	2,367,214	2,394,063	2,455,719	2,501,628	2,534,198
Contributions	87,511	685,603	449,765	228,232	643,043	194,941	146,667	772,420	365,507	211,523
Investment income and miscellaneous	1,815,014	1,289,624	1,758,197	2,116,582	1,174,526	1,104,648	1,024,057	722,474	1,238,270	866,473
Total revenues	23,504,458	24,284,306	25,716,394	26,417,052	27,191,107	27,391,980	27,803,714	27,440,941	29,341,731	29,545,464
Expenditures by Function										
General government	2,504,731	2,347,854	2,379,715	2,487,931	2,554,982	2,648,212	2,064,590	2,049,477	2,076,328	2,133,309
Public safety	8,421,063	8,891,368	9,002,181	9,158,116	9,616,636	9,792,701	10,228,844	10,724,329	10,921,135	10,951,421
Public works	3,373,437	3,479,944	3,338,297	3,860,556	4,209,452	3,945,681	4,006,233	4,045,034	4,078,836	4,198,844
Recycling	576,513	645,825	642,372	520,700	510,284	479,741	521,270	569,995	519,326	546,489
Parks, recreation and education	3,137,916	3,365,912	3,502,019	3,783,406	3,718,579	3,769,351	3,868,301	3,868,201	3,804,729	3,901,458
Health and welfare	549,504	552,701	532,408	553,951	553,419	592,711	584,687	602,295	386,549	33,752
Community development	1,177,715	1,472,550	1,513,390	1,560,698	1,572,006	1,532,962	1,669,208	1,674,582	1,612,638	1,465,685
Other	210,998	214,912	231,613	242,455	265,678	286,036	299,390	307,525	289,815	276,819
Capital Outlay	8,893,248	18,676,553	6,999,888	7,959,861	7,736,535	6,590,055	6,624,826	2,932,671	5,888,869	3,262,846
Debt service										
Principal retirement	4,894,759	3,030,595	4,435,443	4,076,432	4,834,790	5,057,494	5,300,816	5,296,152	3,834,466	20,841,286 a)
Interest and fiscal charges	1,319,934	1,921,109	2,324,034	2,534,807	2,514,275	2,833,740	2,677,616	2,587,537	2,571,987	3,723,662
Total expenditures	35,059,818	44,599,323	34,901,360	36,738,913	38,086,636	37,528,684	37,845,781	34,667,798	35,984,678	51,335,571
Excess of Revenues										
Over/(under) expenditures	(11,555,360)	(20,315,017)	(9,184,966)	(10,321,861)	(10,895,529)	(10,136,704)	(10,042,067)	(7,226,857)	(6,642,947)	(21,790,107)
Other Financing Sources (Uses)										
Long-term debt issued	5,540,836	7,905,000	10,305,000	4,844,640	6,646,000	3,290,000	4,280,000	3,335,000	4,200,000	3,765,000
Refunding debt issued (principal paid)	9,453,398	-	-	-	(2,930,000)	3,830,314	(4,025,000)	-	4,186,092	7,177,826
Premium (discount) on debt	138,370	27,122	111,572	16,517	61,700	137,637	70,686	19,362	113,622	365,525
Payment to escrow agent	(7,764,580)	-	-	-	-	-	-	-	(3,485,965)	(6,358,607)
Proceeds from capital lease issued	16,190,000	-	-	-	6,285,000	-	-	-	-	17,620,000
Sale of city property	5,184	325	45,909	117,655	34,695	117,453	65,218	19,759	16,630	169,748
Transfers in	4,033,470	4,166,906	6,289,469	5,734,966	6,899,008	6,523,367	11,707,906	6,231,780	5,802,172	5,616,339
Transfers out	(1,612,808)	(2,132,845)	(4,299,634)	(3,419,982)	(4,752,351)	(4,307,833)	(9,236,677)	(3,708,720)	(3,063,511)	(2,962,210)
Total other financing sources (uses)	25,983,870	9,966,508	12,452,316	7,293,796	12,244,052	9,590,938	2,862,133	5,897,181	7,769,040	25,393,621
Net change in fund balances	14,428,510	(10,348,509)	3,267,350	(3,028,065)	1,348,523	(545,766)	(7,179,934)	(1,329,676)	1,126,093	3,603,514
Fund Balance January 1	11,060,761	25,489,271	15,140,762	18,408,112	15,380,047	16,728,570	16,182,804	9,002,870	7,673,194	8,799,287
Fund Balance December 31	25,489,271	15,140,762	18,408,112	15,380,047	16,728,570	16,182,804	9,002,870	7,673,194	8,799,287	12,402,801
** Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures	22.93%	18.01%	23.06%	23.72%	22.40%	22.73%	25.51%	25.53%	20.99%	50.65% a)

** Total noncapital expenditures includes reconciling items found on page 8 of CAFR.

a). For 2013, total Debt Service Principal Retirement and corresponding calculation of Ratio of Total Debt Service Expenditures to Non Capital Expenditures includes a one-time Capital Lease refunding of \$16,190,000. If that amount is excluded, Debt Service Principal Retirement totals \$4,651,286, with the corresponding Ratio of Total Debt Service Expenditures to Non Capital Expenditures recalculated to 25.92%.

CITY OF NEENAH, WISCONSIN

ASSESSED AND EQUALIZED VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years¹
(Dollars in Thousands)

Levy Year	Fiscal Year	Real Property Equalized Values			Manufacturing	Personal Property Equalized Value		Total	Assessed Value ³	Percent of Total Assessed to Total Equalized Value
		Residential	Commercial	Commercial & Mfg.		Equalized Value ²	Assessed Value ³			
2004	2005	1,108,654	354,829	160,862	80,530	1,704,875	1,349,020	79.13		
2005	2006	1,093,903	355,116	161,739	67,344	1,678,102	1,388,841	80.41 ⁴		
2006	2007	1,211,953	389,755	157,274	84,863	1,843,845	1,835,544	99.55		
2007	2008	1,232,353	393,268	161,318	78,003	1,864,942	1,847,539	99.07		
2008	2009	1,273,802	410,689	162,819	84,125	1,931,435	1,866,334	96.63		
2009	2010	1,300,398	428,355	163,669	88,927	1,981,349	1,896,663	95.75		
2010	2011	1,253,720	415,681	162,550	86,894	1,918,845	1,922,975	100.21		
2011	2012	1,256,796	416,071	162,351	81,551	1,916,769	1,854,866	96.77		
2012	2013	1,223,562	403,408	155,476	81,448	1,840,563	1,863,894	101.27		
2013	2014	1,200,957	403,624	159,953	88,374	1,852,908	1,899,744	102.53		

¹ Per Wisconsin Department of Revenue/Winnebago County Statistical Report.

² Equalized values are determined by the Wisconsin Department of Revenue. 2004 value reflects an error by the City in the over-reporting of value totaling \$51,761,900 to the State of Wisconsin. 2005 value reflects a one-time correction of value by the State of Wisconsin to compensate for the 2004 over-reporting of value.

³ Assessed values are established by City Assessor on all property except manufacturing property as of January 1 of each year. The Wisconsin Department of Revenue determines manufacturing property assessed values as of January 1 of each year. A revaluation of all property was completed in 2006 and 2011.

⁴ Assessed to equalized ratio reflects estimated 2005 equalized value without one-time error correction by the State of Wisconsin.

Schedule 7

CITY OF NEENAH, WISCONSIN

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Levy Year	Budget Year	Per \$1,000 of Equalized Value											Total Gross	State Credit	Total Net
		General Fund	Debt Service Fund	Recycling Fund	Capital Projects Fund	Parking Fund	IS Fund	TIF Districts Fund	City Total	Neenah School District	Fox Valley Technical College	County & State			
2004	2005	5.68	1.41	.24		.05		.30	7.68	8.73	1.72	5.59	23.72	1.15	22.57
2005	2006	6.03	1.50	.22		.02		.34	8.11	8.40	1.70	5.48	23.69	1.13	22.56
2006	2007	5.65	1.41	.21		.08		.42	7.77	7.36	1.67	5.53	22.33	1.26	21.07
2007	2008	5.87	1.50	.14		.08		.47	8.06	8.33	1.67	5.61	23.67	1.33	22.34
2008	2009	5.84	1.60	.13		.07		.47	8.11	8.06	1.68	5.61	23.46	1.38	22.08
2009	2010	5.73	1.59	.10		.04		.47	8.11	8.51	1.71	5.72	24.05	1.31	22.74
2010	2011	6.18	1.67	.10		.02		.49	8.54	8.81	1.78	5.87	25.00	1.36	23.64
2011	2012	6.37	1.67	.05		.04		.55	8.68	8.57	1.79	5.84	24.88	1.34	23.54
2012	2013	6.63	1.74			.03		.80	9.20	8.94	1.97	6.02	26.13	1.38	24.75
2013	2014	6.75	1.73			.01		.78	9.27	8.60	1.97	5.74	25.58	1.33	24.25

Levy Year	Budget Year	Per \$1,000 of Assessed Value											Total Gross	State Credit	Total Net
		General Fund	Debt Service Fund	Recycling Fund	Capital Projects Fund	Parking Fund	IS Fund	TIF Districts Fund	City Total	Neenah School District	Fox Valley Technical College	County & State			
2004	2005	7.18	1.78	.31		.06		.38	9.71	11.03	2.18	7.06	29.98	1.45	28.53
2005	2006	7.29	1.82	.26		.03		.40	9.80	10.15	2.05	6.63	28.63	1.37	27.26
2006	2007	5.68	1.42	.21		.08		.42	7.81	7.39	1.68	5.55	22.43	1.26	21.17
2007	2008	5.93	1.52	.14		.08		.47	8.14	8.41	1.69	5.66	23.90	1.34	22.56
2008	2009	6.04	1.66	.13		.07		.49	8.39	8.35	1.74	5.81	24.29	1.43	22.86
2009	2010	5.99	1.66	.10		.04		.49	8.47	8.89	1.79	5.98	25.13	1.37	23.76
2010	2011	6.16	1.67	.10		.02		.49	8.52	8.79	1.78	5.85	24.94	1.36	23.58
2011	2012	6.58	1.73	.05		.04		.57	8.97	8.85	1.85	6.03	25.70	1.38	24.32
2012	2013	6.55	1.72			.03		.79	9.09	8.82	2.11	5.78	25.80	1.36	24.42
2013	2014	6.59	1.69			.01		.75	9.04	8.39	1.92	5.60	24.95	1.30	23.65

Schedule 8

CITY OF NEENAH, WISCONSIN
PRINCIPAL TAXPAYERS
 2013 AND NINE YEARS PRIOR

December 31, 2013

Name	Nature of Business	Percent of Total Assessed Value ¹		2013		2013	
		Assessed Value	Equalized Value	Assessed Value	Equalized Value	Assessed Value	Equalized Value
1. Plexus Corporation	Computer Products and Service	1.61%	\$29,828,831	\$30,583,500	\$29,828,831	\$30,583,500	\$29,828,831
2. Alta Resources	Telemarketing & Fulfillment	1.04%	19,264,020	19,751,400	19,264,020	19,751,400	19,264,020
3. Thomas Wright	Rentals	0.94%	17,428,850	17,869,800	17,428,850	17,869,800	17,428,850
4. Inland Diversified Neenah Commercial	Grocery/Commercial	0.83%	15,438,506	15,829,100	15,438,506	15,829,100	15,438,506
5. Menasha Corporation	Printing and Container Manufacturing	0.79%	14,629,962	15,000,100	14,629,962	15,000,100	14,629,962
6. Wal-Mart	Retail Sales	0.75%	13,980,689	14,334,400	13,980,689	14,334,400	13,980,689
7. Neenah Foundry, Inc.	Cast Metal Products	0.75%	13,809,714	14,159,100	13,809,714	14,159,100	13,809,714
8. Kimberly-Clark Corporation	Paper Products	0.72%	13,293,085	13,629,400	13,293,085	13,629,400	13,293,085
9. Jewelers Mutual Insurance Co.	Insurance	0.65%	12,128,255	12,435,100	12,128,255	12,435,100	12,128,255
10. Bergstrom Consortio Inc.	Auto Sales & Service	0.63%	11,683,312	11,978,900	11,683,312	11,978,900	11,683,312
Total		8.71%	\$161,485,224	\$165,570,800	\$161,485,224	\$165,570,800	\$161,485,224

¹ Based on the City's total 2013 assessed valuation of \$1,899,744,900 established January 1, 2013 for the 2013 levy.

December 31, 2004

Name	Nature of Business	Percent of Total Assessed Value ²		2004		2004	
		Assessed Value	Equalized Value	Assessed Value	Equalized Value	Assessed Value	Equalized Value
1. Kimberly-Clark Corporation	Paper Products	2.37%	\$40,353,244	\$31,919,400	\$40,353,244	\$31,919,400	\$40,353,244
2. Pechiney Plastic Packaging	Flexible Packaging and Carton Mfg.	1.09%	18,554,235	14,676,400	18,554,235	14,676,400	18,554,235
3. Neenah Downtown Redev. Corp.	Commercial Office Space	0.95%	16,259,545	12,861,300	16,259,545	12,861,300	16,259,545
4. Georgia Pacific	Plastics and Paper Manufacturing	0.92%	15,751,960	12,459,800	15,751,960	12,459,800	15,751,960
5. Wal-Mart	Retail Sales	0.88%	14,930,973	11,810,400	14,930,973	11,810,400	14,930,973
6. Plexus Corporation	Computer Products and Service	0.82%	13,965,613	11,046,800	13,965,613	11,046,800	13,965,613
7. Jewelers Mutual Insurance Co.	Insurance	0.81%	13,812,287	10,925,519	13,812,287	10,925,519	13,812,287
8. Menasha Corporation	Printing and Container Manufacturing	0.73%	12,453,856	9,851,000	12,453,856	9,851,000	12,453,856
9. Glatfelter	Paper Products	0.70%	11,962,832	9,462,600	11,962,832	9,462,600	11,962,832
10. Neenah Foundry, Inc.	Cast Metal Products	0.69%	11,741,340	9,287,400	11,741,340	9,287,400	11,741,340
Total		9.96%	\$169,785,885	\$134,300,619	\$169,785,885	\$134,300,619	\$169,785,885

² Based on the City's total 2004 assessed valuation of \$1,349,019,868 established January 1, 2004 for the 2004 levy.

Schedule 9

CITY OF NEENAH, WISCONSIN

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Collection Year	Total Tax Levy	Collections Prior to Transfer of Roll on August 1 ¹	Percent of Levy Collected	Total Tax Collections As of 12/31	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2004	38,111,492	37,461,225	98.29	38,102,065	99.98	9,427	0.02
2005	40,437,937	39,872,737	98.61	40,426,433	99.98	11,504	0.02
2006	39,762,371	39,211,546	98.62	39,752,098	99.97	10,273	0.03
2007	41,178,746	40,504,725	98.36	41,163,601	99.96	15,145	0.04
2008	44,153,610	43,369,846	98.22	44,126,299	99.94	27,310	0.06
2009	45,323,061	44,350,351	97.85	45,285,803	99.92	37,258	0.08
2010	47,659,333	46,781,439	98.16	47,634,231	99.95	25,102	0.05
2011	47,967,870	46,501,895	96.94	47,944,797	99.95	23,073	0.05
2012	47,683,352	46,841,224	98.23	47,653,038	99.94	30,314	0.06
2013	48,093,781	47,333,417	98.42	48,069,844	99.95	23,937	0.05

¹ The County settles delinquent real estate taxes in full 30 days after transfer of tax roll.

Schedule 10

City of Neenah, Wisconsin
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities										Total	
	G.O. Notes	G.O. Bonds	Capital Leases	G.O. Notes for Business-Type Activities	Water Revenue	Sanitary Sewer System Water Loan	Storm Water Revenue	Capital Leases	Primary Government	City Population	Total Debt Per Capita	Primary Government	City Population	Total Debt Per Capita	
2004	\$ 14,603,791	\$ 17,056,904	\$ 16,190,000	\$ 2,087,812	\$ 14,355,000	\$ -	\$ -	\$ 120,510	\$ 64,414,017	25,193	\$ 2,556.82	\$ 64,414,017	25,193	\$ 2,556.82	
2005	14,858,339	21,575,361	16,190,000	1,808,407	25,562,151	-	-	63,893	80,058,151	25,338	3,159.61	80,058,151	25,338	3,159.61	
2006	16,087,121	27,080,571	16,190,000	2,475,554	35,029,334	-	-	5,013	96,867,593	25,430	3,809.19	96,867,593	25,430	3,809.19	
2007	19,321,759	24,493,436	16,190,000	3,449,386	38,115,317	-	-	-	101,569,898	25,430	3,994.10	101,569,898	25,430	3,994.10	
2008	18,602,062	24,094,343	22,475,000	4,348,025	36,341,883	-	-	-	105,861,313	25,560	4,141.68	105,861,313	25,560	4,141.68	
2009	17,694,971	27,064,254	22,475,000	6,137,369	34,310,815	-	-	-	108,082,814	25,800	4,189.26	108,082,814	25,800	4,189.26	
2010	16,816,603	22,896,806	22,475,000	6,521,137	32,147,812	-	-	-	101,303,581	25,501	3,972.53	101,303,581	25,501	3,972.53	
2011	18,820,265	18,956,992	22,450,000	7,525,650	29,926,476	-	-	-	98,131,988	25,612	3,831.48	98,131,988	25,612	3,831.48	
2012	18,910,946	20,362,964	22,425,000	8,181,034	27,141,137	-	-	-	97,454,621	25,723	3,788.62	97,454,621	25,723	3,788.62	
2013	14,851,376	24,711,576	22,987,673	8,400,430	24,686,109	9,620,219	-	-	105,671,257	25,750	4,103.74	105,671,257	25,750	4,103.74	

Schedule 11

CITY OF NEENAH, WISCONSIN

**RATIO OF OUTSTANDING DEBT TO EQUALIZED VALUATION
AND DEBT PER CAPITA
Last Ten Fiscal Years**

Calendar Year Ending 12/31	General Outstanding Debt (A)	Equalized Valuation (B)	Percent of Debt to Eq. Valuation	Estimated Population	Debt Per Capita
2004	33,748,507	1,704,875,000	1.98%	25,193	1,339.60
2005	38,242,107	1,678,101,600	2.28%	25,338	1,509.28
2006	45,643,246	1,843,845,100	2.48%	25,430	1,794.86
2007	47,264,608	1,864,942,000	2.53%	25,430	1,858.62
2008	47,044,430	1,931,434,600	2.44%	25,560	1,840.55
2009	50,896,594	1,981,348,900	2.57%	25,800	1,972.74
2010	46,234,546	1,918,845,500	2.41%	25,501	1,813.05
2011	45,302,907	1,916,768,500	2.36%	25,612 *	1,768.82
2012	47,454,944	1,840,562,900	2.58%	25,723 *	1,844.84
2013	47,963,382	1,852,907,500	2.59%	25,750 *	1,862.66

* Estimate

(A) This amount does not include debt of the Neenah Joint School District.

(B) Set January 1 of the calendar year.

The following issues have been excluded from the calculations shown above: \$4,210,000 Refunding Bonds in 2004, \$16,666,667 Safe Drinking Water Loan Revenue Bonds in 2005/06, \$8,788,354 Safe Drinking Water Loan Revenue Bonds in 2006/08, \$2,345,000 Revenue Bonds in 2008 and \$446,233 in Storm Water Clean Water Loan Revenue Bonds in 2009, \$1,350,000 Water Utility Revenue Refunding Bonds in 2012 and \$3,545,000 Water Utility Revenue Refunding Bonds in 2013.

In addition, the Community Development Authority of the City of Neenah (CDA) issued \$16,190,000 Lease Revenue Bonds in 2004 and \$6,285,000 in 2008, with \$17,620,000 in Lease Revenue Refunding Bonds issued in 2013. These amounts are also excluded from the calculations shown above.

Schedule 12

CITY OF NEENAH, WISCONSIN

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2013

<u>Jurisdiction</u>	<u>Debt Outstanding¹</u>	<u>Percent Applicable to City of Neenah</u>	<u>Amount Applicable to City of Neenah</u>
<u>Direct Debt</u>			
City of Neenah ²	\$ 62,550,625	100.00	\$ 62,550,625
<u>Overlapping Debt</u>			
Neenah Joint School District	250,000	49.38	123,450
Fox Valley Technical College	80,525,000	5.47	4,404,718
Winnebago County	38,658,762	15.71	6,073,292
Total Overlapping Debt	\$119,433,762		\$10,601,460
Total Direct and Overlapping Debt	<u>\$181,984,387</u>		<u>\$73,152,085</u>

¹ Includes outstanding debt for long-term lease purchase agreements. Does not include assets in Debt Service Funds.

² This amount excludes general obligation debt for business-type activities.

Schedule 13

CITY OF NEENAH, WISCONSIN

COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2013

Equalized Value of Real and Personal Property	<u>\$ 1,852,907,500</u>	
Debt Limit, Five (5) Percent of Equalized Valuation (Wisconsin Statutory Limitation)	<u>\$ 92,645,375</u>	100.00%
Total General Obligation Debt	<u>\$ 47,963,382</u>	
Amount of Debt Applicable to Debt Limitation:		
Total Obligation Bonds and Loans Applicable to Debt Limit at December 31, 2013	\$47,963,382	51.77%
Less: Assets in Debt Service Fund Available for Payment of Principal	1,845,460	
Net Amount of Debt Applicable to Debt Limit	\$ 46,117,922	49.78%
Remaining Legal Debt Margin	\$46,527,453	50.22%

Schedule 14

CITY OF NEENAH, WISCONSIN

REVENUE BOND COVERAGE

Water Utility

Last Ten Fiscal Years

Fiscal Year	Direct Operating Revenues	Direct Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ¹			Coverage
				Principal	Interest	Total	
2004	4,147,848	2,448,978	1,698,870	1,030,000	260,921	1,290,921	1.32
2005	5,710,609	2,116,361	3,594,248	1,639,009	432,282	2,071,291	1.74
2006	6,604,585	2,301,113	4,303,472	2,190,136	596,633	2,786,769	1.54
2007	7,292,307	2,629,412	4,662,895	2,428,038	710,115	3,138,153	1.49
2008	6,795,104	3,117,240	3,677,864	2,441,645	714,360	3,156,005	1.17
2009	6,543,242	3,011,329	3,531,913	2,445,418	715,536	3,160,954	1.12
2010	6,654,836	3,144,405	3,510,431	2,464,633	727,594	3,192,227	1.10
2011	8,798,241	3,051,506	5,746,735	2,445,418	715,537	3,160,955	1.82
2012	9,143,821	3,176,012	5,967,809	2,481,529	600,395	3,081,924	1.94
2013	8,343,050	3,304,263	5,038,787	2,531,529	544,463	3,075,992	1.64

¹ Includes principal and interest of revenue bonds only. It does not include the general obligation notes reported in the Water Utility Enterprise Fund. Amount calculated by using the highest total annual debt service owed (year 2015) on all outstanding bond issues as of December 31, 2013.

² Includes total operating expenses less depreciation.

CITY OF NEENAH, WISCONSIN

WATER UTILITY DATA

TEN LARGEST WATER USERS

Year Ending December 31, 2013

<u>Name</u>	<u>Nature of Business</u>	<u>Thousands of Gallons (000)</u>	<u>Water Billing¹</u>
1. Neenah Foundry	Castings	75,224	\$380,385
2. KC Corporation/Experimental Mill	Paper Research	66,080	324,959
3. Galloway	Dairy Products	61,973	334,884
4. Fox Valley Energy Center LLC	Energy	46,885	231,666
5. Theda Clark Medical Center	Health Care	35,336	181,624
6. Neenah Paper	High Quality Bond Paper	31,716	41,205
7. Plexus 4 & 5 & New Building	Electronics	30,879	164,075
8. Industrial Towel & Uniform	Commercial Laundry	10,081	54,695
9. Bemis	Packaging	9,681	52,826
10. Georgia Pacific	Paper Research	9,017	49,147
	Total of Ten Largest Retail Users	376,872	\$1,815,466
	Total Water Utility	949,865	\$6,350,241
	Ten Largest as Percent of Total Water Utility	40%	29%

¹ Total water revenue only.

HISTORICAL WATER USAGE

(millions of gallons)
Last Five Fiscal Years

<u>Calendar Year</u>	<u>Gallons Billed</u>	<u>Gallons Pumped</u>	<u>Average Daily Demand</u>	<u>Maximum Daily Demand</u>	<u>Maximum Rated System Capacity</u>
2009	1,143	1,312	3.59	5.42	12.00
2010	1,032	1,322	3.62	5.37	12.00
2011	1,096	1,389	3.80	5.35	12.00
2012	1,168	1,494	4.09	6.44	12.00
2013	951	1,385	3.80	5.94	12.00

CITY OF NEENAH, WISCONSIN

DEMOGRAPHIC STATISTICS

	City of Neenah 2010	State of Wisconsin 2010	United States 2010
POPULATION¹:			
Population	25,501	5,686,986	308,745,538
Median Age	37.1	38.5	37.2
% School Age (5 to 19)	20.0	20.1	20.4
% Working Age (20 to 64)	60.3	59.9	60.0
% 65 and Over	12.7	13.7	13.0
Average Number Persons/Household	2.36	2.43	2.58
% Owner Occupied Housing Units	66.9	68.1	65.1

	City of Neenah²	State of Wisconsin	United States
INCOME³:			
Per Return Adjusted Gross Income (2010)	\$55,830	\$46,958	N/A
Total Per Capita Income (2010)	\$37,824	\$38,225	\$36,015
% Unemployment Year End (2013)	5.2	6.3	6.7

¹ Information compiled from the U.S. Census Bureau American Fact Finder.

² Includes City of Oshkosh.

³ Information compiled from the State of Wisconsin Department of Revenue - Division of Research and Policy and the U.S. Department of Commerce – Bureau of Labor Statistics. (Oshkosh-Neenah, WI)

CITY OF NEENAH, WISCONSIN

PRINCIPAL INDUSTRIAL AND COMMERCIAL EMPLOYERS

December 31, 2013

<u>Company Name</u>	<u>Product or Service</u>	<u>Number of Employees</u>
Kimberly-Clark Corporation	Paper Products	2,592
Theda Clark Medical Center	Health Care	1,200
Plexus Corporation	Computer Products and Services	1,000
J.J. Keller & Associates	Publisher/Printer Services for Technical and Regulatory Information	1,000
Neenah Foundry, Inc.	Cast Metal Products	900
Bemis Co., Inc.	Manufacturer of Converted Paper Boards	760
Neenah Joint School District	Education	644
N & M Transfer	Local Trucking Without Storage Services	622
Alta Resources	Outsourced Customer Care Solutions	550
SCA Tissue North America LLC	Manufacturer of Paper Napkin Stock	500
Outlook Group Corp.	Commercial Printing	370
Miron Construction	Commercial Building Construction	350
Menasha Corporation	Printing and Container Manufacturing	272

Information provided by the Community Development Department.

Schedule 18

CITY OF NEEENAH, WISCONSIN

SCHEDULE OF INSURANCE IN FORCE

December 31, 2013

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Limits of Coverage</u>	<u>Premium</u>
Boiler and Machinery	Zurich American Insurance Company	\$100,000,000	\$3,249
Buildings, Personal Property, Inland Marine Floater, Property in the Open	Local Government Property Insurance Fund	\$131,689,791	\$42,141
Contractors Equipment	Local Government Property Insurance Fund	\$4,035,061	\$2,453
Pier and Wharf	Local Government Property Insurance Fund	\$356,775	\$186
Monies and Securities	Local Government Property Insurance Fund	\$25,000	\$207
Special Use Animal	Local Government Property Insurance Fund	\$18,500	\$115
Alarm Credit	Local Government Property Insurance Fund		(\$2,940)
Motor Vehicles	Cities and Villages Mutual Insurance Company	\$11,842,621	\$43,588
Workers Compensation	Cities and Villages Mutual Insurance Company	Each E/ee for Disease Each Accident	\$380,068
Liability Coverage (General, Law Enforcement, Public Officials)	Cities and Villages Mutual Insurance Company	\$5,000,000	\$73,800
Excess Public Entity Liability (General, Law Enforcement, Public Officials)	Darwin National Assurance Company	\$8,000,000	\$3,894
Employment Practices Liability	RSUI Indemnity Company	\$1,000,000	\$16,472
Crime Coverage	National Union Fire Ins. Co. of Pittsburgh	\$1,000,000	\$1,128

CITY OF NEENAH, WISCONSIN

MISCELLANEOUS STATISTICS

December 31, 2013

Date of Incorporation: March 13, 1873
 Form of Government: Mayor/Aldermanic (9)

	2013	2012	2013	2012
Population	25,750	25,723		
Area				
Square Miles	9.6	9.6	361.0	361.0
Acres – Land	5,939.35	5,939.35	49.5	49.5
Acres - Water	198.34	198.34	211.9	211.9
Altitude – in feet	754.0	754.0	5.6	3.6
			0	17.5
Miles of Streets			83.5	66
Local Streets	135.11	135.0	6.34	0
Arterial/Collector Highways	22.5	22.5	12.5	12.5
Number of Street Lights	3,235	3,229		
Municipal Water Utility				
Average Number of Customers	10,430	10,796	1	1
Average Daily Consumption	2,607,340	4,093,397	40	40
Miles of Water Mains	141.64	141.8		
Miles of Sewers				
Storm	97.0	97.0	383	383
Sanitary	126.4	126.4	25	25
Building Permits				
Permits Issued	461	489	1	1
Estimated Cost of Construction	\$43,309,051	\$72,101,812		
Permanent City Employees				
Full Time	230	209	220,216	241,037
Part Time	32	19	962,812	962,756