

# **CITY OF NEENAH**

Neenah, Wisconsin

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

Prepared By:

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

# CITY OF NEENAH

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2015

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June 29, 2016

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

The City of Neenah (the "City") 2015 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 2015 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 9.61 square mile area. Its current population is 25,871 based on 2015 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 Valley due to their location along the Fox River. This metropolitan area, which has an estimated population of over 402,553 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 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 \$80.5 million in new projects. As evidence of the City's business friendly and vibrant downtown, current estimates indicate that over 14,000 people are employed within a one-mile radius of the downtown area during the daytime hours.

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, 1613 building permits were issued in the City last year leading to over \$66 million in new construction.

Notable projects in 2015 were the \$23,000,000 Menasha Corporation Global Headquarters addition, the \$3,500,000 Menasha Packaging addition, \$950,000 Rollmeister Machine addition, the \$2,200,000 Highlands at Mahler 57 unit apartment addition, \$2,900,000 American Grand 24 unit Assisted living facility development, \$1,200,000 Aldi store development, and dozens of smaller commercial and industrial remodel projects in various 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 six open TIF Districts. Existing districts include TIF Districts No. 5, No. 8 and No. 10 which are

located in and adjacent to the City's downtown business and waterfront district. In the last six years, TIF No. 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. A high value office project, with an estimated value of over \$9 million, is also expected to break ground in 2016 in TIF No. 10, providing a location for 200-300 additional Downtown employees.

The City's other TIF districts include TIF No. 6, which serves the Southpark Industrial Center and TIF No. 7, which was created to support the City's Westside Business Corridor adjacent to Interstate 41. TIF No. 9, created in 2015, serves an area adjacent to Interstate 41 and is home to aforementioned Menasha Corp's new Global Headquarters.

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

<u>TIF No.</u>	<u>Creation Date</u>	<u>Max Exp Date</u>	<u>Max Close Date</u>	<u>Amended Base Value</u>	<u>1/1/15 Value</u>	<u>Increment</u>
5	1/1/93	4/21/15	12/31/30	\$13,971,900	\$23,446,000	\$9,474,100
6	1/1/97	3/9/15	12/31/30	2,869,600	32,252,800	29,383,200
7	1/1/00	7/4/22	12/31/26	39,226,900	119,016,800	79,789,900
8	1/1/01	9/4/23	12/31/38	14,743,600	67,938,100	53,194,500
9	1/1/15	3/17/36	12/31/41	N/A	N/A	N/A
10	1/1/15	8/4/36	12/31/41	N/A	N/A	N/A
						<u>\$171,841,700</u>

Neenah's future and economic development outlook remains strong and well positioned as the economy rebounds. Approximately 120 residential lots are available for new home construction, and opportunities for major commercial and industrial projects are available in planned business centers and at prime development sites.

### **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 and celebrated its 100<sup>th</sup> birthday in 2015.

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. As of 2014, Neenah Public Library was the 12<sup>th</sup> highest circulating library in the state, checking out over 930,000 items. Customer usage continues to be strong: almost 295,000 people visited the library in 2015, an average of 85 visitors per hour open. Well over 800 classes, workshops, concerts, movies, and other programs were offered last year and attendance at programs reached an all-time high of 31,000. The Library provides high quality research services and readers' advisory services for all ages. Additional services include homebound delivery; collections created specifically for classrooms; meeting rooms for use by individuals, groups, businesses, and classes, including two rooms equipped with hearing loops for the hearing impaired; free legal clinics; free volunteer tax preparation assistance; and monthly Memory Café meetings for those with dementia and their care partners. The Library continues to promote and provide literacy support for all ages and at all levels, from newborns through seniors. The Library has also implemented new technology programs, including the purchase of a 3D printer and the acquisition of a computer lab for classes and workshops.

The City's private Bergstrom-Mahler Museum of Glass 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. 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 ThedaCare Regional Medical Center – Neenah (ThedaCare), formerly 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. ThedaCare operates ThedaStar Air Medical Helicopter and is the metropolitan area’s only American College of Surgeons’ Verified Level II Trauma Center. ThedaCare 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. ThedaCare Regional Medical Center – Neenah has been providing service in Northeast Wisconsin for over 100 years.

### **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, 2014. This was the 32nd 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 only valid for a period of one year. We believe that the 2015 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**

## 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.

A handwritten signature in green ink, appearing to read "M.K. Easker".

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, 2014**

Executive Director/CEO

**CITY OF NEENAH  
DIRECTORY OF OFFICIALS  
2015 – 2016**

**MAYOR**

Dean R. Kaufert

**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:	Marge Bates
Aldermanic District 2:	Tami Erickson
Aldermanic District 2:	Christopher Kunz
Aldermanic District 3:	Todd Stevenson
Aldermanic District 3:	Lee Hillstrom
Aldermanic District 3:	Jane Lang

**OFFICERS**

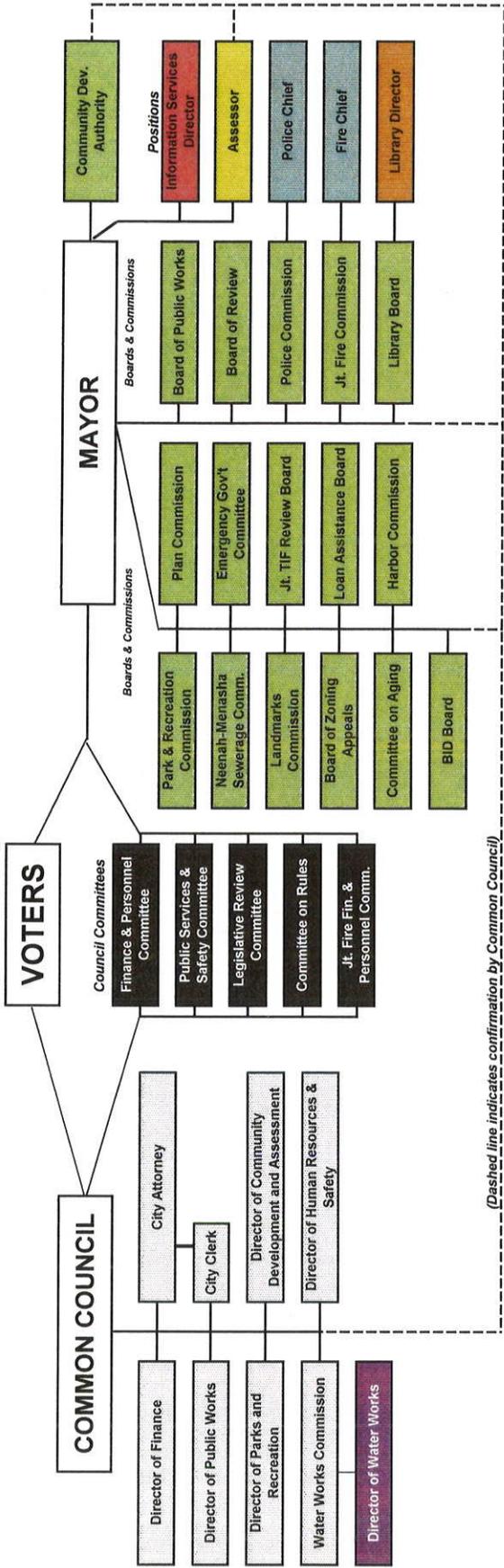
Director of Finance	Michael K. Easker
City Attorney	James G. Godlewski
City Clerk	Patricia A. Sturn
Director of Human Resources and Safety	Heather C. Barber
Police Chief	Kevin Wilkinson
Fire Chief	Al Auxier
Director of Public Works and Utilities	Gerry Kaiser
Director of Community Development and Assessment	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 Shiloh Ramos (Chairman)  
Aldersperson William Pollnow, Jr. (Vice Chairman)  
Aldersperson Tami Erickson  
Aldersperson Christopher Kunz  
Aldersperson Todd Stevenson

**STANDING PUBLIC SERVICES AND SAFETY COMMITTEE**

Aldersperson Lee Hillstrom (Chairman)  
Aldersperson Marge Bates (Vice Chairman)  
Aldersperson Jane Lang  
Aldersperson Cari Lendrum  
Aldersperson Todd Stevenson



(Dashed line indicates confirmation by Common Council)

- = Appointed by Council
- = Appointed by Mayor, confirmed by Council
- = Appointed by Mayor
- = Appointed by Mayor, 2/3 confirmation by Council
- = Appointed by Police or Jt. Fire Commission
- = Appointed by the Water Works Commission
- = Appointed by Library Board

**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, 2015, 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, 2015 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. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. 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 required supplementary 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 accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 accompanying supplementary information is 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 29, 2016



Department of Finance

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## 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, 2015. 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 fifth 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) totals \$150,895,277 as of December 31, 2015. Net position from Governmental Activities account for \$88,120,972 of the total, an increase of \$1,108,899 from the previous year. Business-Type Activities net position was \$62,774,305, an increase of \$2,637,519 from 2014.
- > The City ended 2015 with a fund balance of \$15,248,105 for all Governmental Funds, an increase of \$2,753,335 from 2014. This total includes \$3,692,608, which is unassigned, in the City's General Fund. This fund balance is 16.09% of the City's 2015 General Fund expenditures/other financing uses of \$22,956,639.
- > In 2015, the City issued \$6,250,000 in General Obligation ("G.O.") Notes, backed by the full faith and credit of the City. Of that amount, \$5,080,000 will fund projects for Governmental Activities while \$1,170,000 is earmarked for Business-Type Activities. In addition, the City issued \$1,350,000 of Note Anticipation Notes (NAN's) to provide a short-term financing option for a potential development project in Tax Incremental Financing District 10.

### 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, 2015. 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).

# Management's Discussion and Analysis (Unaudited)

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 an 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, 2015, we will try to answer some very basic questions. Is the City better or worse off financially than it was in 2014? 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.

## 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.

# Management's Discussion and Analysis (Unaudited)

## ***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 2015:

### *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 2015, the City of Neenah used special revenue funds to account for:

- TIF District No. 5
- TIF District No. 6
- TIF District No. 7
- TIF District No. 8 (major fund)
- TIF District No. 9
- TIF District No. 10
- Community Development Block Grant
- Housing/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 Employee Group

# 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 2015, the City of Neenah used capital project funds to account for:

- Public Infrastructure (major fund)
- TIF District No. 5
- TIF District No. 6
- TIF District No. 7
- TIF District No. 8
- TIF District No. 9
- TIF District No. 10
- 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 2015, 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 2015, 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 2015, 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 \$150,895,277 for the City of Neenah as of December 31, 2015. This includes total assets of \$275,280,708, deferred outflows of resources of \$3,573,901, total liabilities of \$107,137,331 and deferred inflows of resources of \$20,822,001. 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 74% 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 95% 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	
	2015	2014*	2015	2014*	2015	2014*
Current and other assets	\$45,599,633	\$40,329,345	\$25,548,596	\$24,387,934	\$71,148,229	\$64,717,279
Capital assets	127,719,975	128,988,438	76,412,504	77,783,158	204,132,479	206,771,596
Total assets	173,319,608	169,317,783	101,961,100	102,171,092	275,280,708	271,488,875
Deferred outflows of resources	3,148,277	244,389	425,624	177,327	3,573,901	421,716
Long-term liabilities	(64,934,988)	(64,690,809)	(36,391,109)	(39,335,683)	(101,326,097)	(104,026,492)
Other liabilities	(2,589,924)	(3,084,626)	(3,221,310)	(3,397,208)	(5,811,234)	(6,481,834)
Total liabilities	(67,524,912)	(67,775,435)	(39,612,419)	(42,732,891)	(107,137,331)	(110,508,326)
Deferred inflows of resources	(20,822,001)	(20,575,752)	-	(20,000)	(20,822,001)	(20,595,752)
Net position:						
Net investment in capital assets	82,609,149	83,027,527	48,640,340	47,296,614	130,261,286	129,212,427
Restricted	12,061,179	7,827,128	1,696,318	1,273,145	13,757,497	9,100,273
Unrestricted (deficit)	(6,549,356)	(9,643,670)	12,437,647	11,025,769	6,876,494	2,493,813
Total net position	\$88,120,972	\$81,210,985	\$62,774,305	\$59,595,528	\$150,895,277	\$140,806,513

\* The 2014 columns have not been restated for the implementation of GASB Statement No. 68 relating to pensions (see Note IV (J) on page 60).

The total net position section includes an adjustment of \$988,203 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 32).

Net position for governmental activities increased \$1,108,899 from 2014, while net position for business-type activities rose by \$2,637,519. The increase in both governmental activity net position and business-type activity net position is due to an increase in both current assets and deferred outflows of resources and a decrease in other liabilities.

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

# Management's Discussion and Analysis (Unaudited)

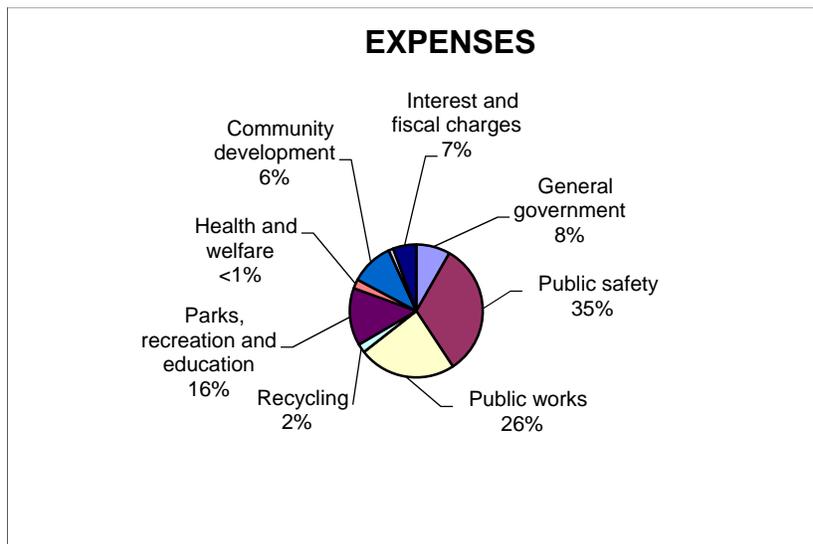
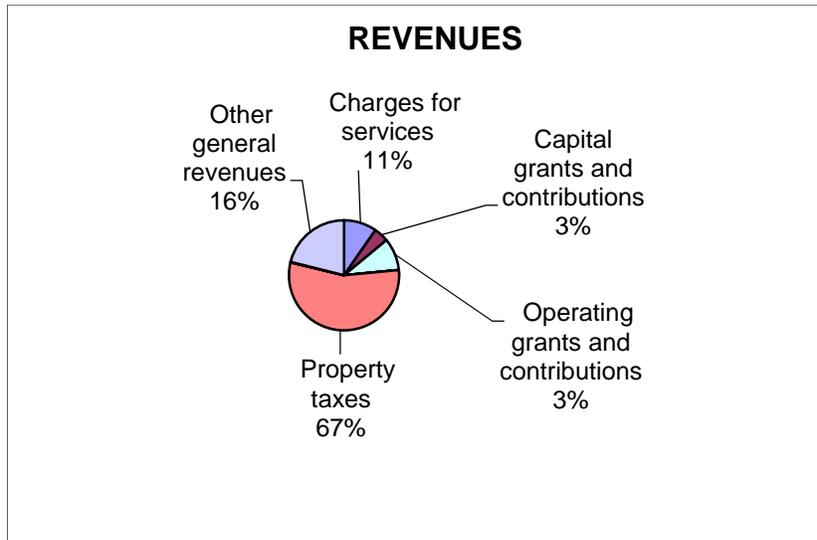
## CITY OF NEENAH CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014*	2015	2014*	2015	2014*
Revenues						
Program revenues						
Charges for services	\$3,284,555	\$3,134,271	\$14,331,713	\$14,160,388	\$17,616,268	\$17,294,659
Operating grants and contributions	907,845	1,482,908	-	63,340	907,845	1,546,248
Capital grants and contributions	824,983	247,080	322,480	129,041	1,147,463	376,121
General revenues						
Property taxes	20,244,744	19,655,740	-	-	20,244,744	19,655,740
Other taxes	13,082	11,741	20,000	20,000	33,082	31,741
Other general revenues	4,807,698	5,156,241	42,055	53,478	4,849,753	5,209,719
Total revenues	<u>30,082,907</u>	<u>29,687,981</u>	<u>14,716,248</u>	<u>14,426,247</u>	<u>44,799,155</u>	<u>44,114,228</u>
Expenses						
General government	2,570,344	2,630,760	-	-	2,570,344	2,630,760
Public safety	11,031,978	11,754,383	-	-	11,031,978	11,754,383
Public works	8,195,235	6,956,331	-	-	8,195,235	6,956,331
Recycling	513,724	549,003	-	-	513,724	549,003
Parks, recreation and education	4,904,368	4,813,270	-	-	4,904,368	4,813,270
Health and welfare	7,345	10,335	-	-	7,345	10,335
Community development	2,037,299	1,867,479	-	-	2,037,299	1,867,479
Interest and fiscal charges	2,052,080	1,934,432	-	-	2,052,080	1,934,432
Water utility	-	-	5,227,739	5,640,643	5,227,739	5,640,643
Sewer disposal utility	-	-	3,172,687	2,982,985	3,172,687	2,982,985
Storm water utility	-	-	1,079,751	1,143,761	1,079,751	1,143,761
Other proprietary funds	-	-	260,187	283,933	260,187	283,933
Total expenses	<u>31,312,373</u>	<u>30,515,993</u>	<u>9,740,364</u>	<u>10,051,322</u>	<u>41,052,737</u>	<u>40,567,315</u>
Increase (decrease) in net position before transfers	(1,229,466)	(828,012)	4,975,884	4,374,925	3,746,418	3,546,913
Transfers	<u>2,338,365</u>	<u>2,255,743</u>	<u>(2,338,365)</u>	<u>(2,255,743)</u>	-	-
Change in net position	1,108,899	1,427,731	2,637,519	2,119,182	3,746,418	3,546,913
Net position-beginning (as restated)	<u>87,012,073</u>	<u>79,783,254</u>	<u>60,136,786</u>	<u>57,476,346</u>	<u>147,148,859</u>	<u>137,259,600</u>
Net position-end of year	<u>\$88,120,972</u>	<u>\$81,210,985</u>	<u>\$62,774,305</u>	<u>\$59,595,528</u>	<u>\$150,895,277</u>	<u>\$140,806,513</u>

\* The 2014 columns have not been restated for the implementation of GASB Statement No. 68 relating to pensions (see Note IV (J) on page 60).

Property taxes in 2015 accounted for 67.30% of total governmental activities revenue, while charges for services accounted for 97.40% all of revenues generated by business-type activities. Expenses for public safety and public works were 61.40% of all governmental activities expenses. Business-type activities expenses were mostly due to the operations of the Water Utility (53.67%) and Sewerage Disposal Utility (32.57%). 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 2015 with a fund balance of \$15,248,105 in its governmental funds, an increase of \$2,753,335 (22.04%) from December 31, 2014.

#### *General Fund*

The City's General Fund realized a modest fund balance increase of \$128,012 from 2015 operations. Positive expenditure budget variances occurred in all City operational categories. These positive variances more than offset negative revenue variances in Fines, Forfeitures and Penalties, Investment Income and Transfers from Other Funds.

## **Management's Discussion and Analysis (Unaudited)**

Fund balance at year end totaled \$4,141,116, of which \$3,692,608 is unassigned. This unassigned fund balance is 16.09% of the City's 2015 General Fund expenditures/other financing uses of \$22,956,639. 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 16.09% 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 decrease in fund balance during the year was \$970,115, which resulted in a fund balance deficit at year-end of \$5,789,194. The primary reason for the decrease in the fund balance is that increment generated for TIF No. 8 was not sufficient to offset debt service payments for capital projects from previous years.

### 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 \$816,864 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 No. 6 and TIF No. 8 Special Revenue Funds, deficits created by debt service 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 2014, led to a decrease in fund balance of \$329,193. This resulted in a fund balance at year end of \$3,664,711.

### Special Revenue Fund – TIF District No. 7

The Special Revenue -TIF District No. 7 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 \$639,281, which resulted in a fund balance at year-end of \$1,687,558. The primary reason for the increase in the fund balance is that increment generated for TIF No. 7 was more than sufficient to offset debt service payments for capital projects from previous years.

# 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 2015 led to an increase in fund balance of \$316,052. This resulted in a positive year-end balance of \$1,820,104.

## **Proprietary Funds**

### Water Utility

The water utility's operating income was \$3,288,654 in 2015, with net income before transfers and contributions of \$2,782,684. These positive operating results lead to an increase in net position of \$1,770,525. The water utility's 2015 rate of return is 6.30%, compared to 5.53% in 2014. Positive operating outcomes are the result of a water rate increase that was fully implemented in 2011 and an ongoing reduction in operating expenses.

### Sewerage Disposal Utility

The sewerage disposal utility realized an operating gain, before transfers and contributions, of \$1,157,825. Overall net position increased by \$621,311. 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 2009-2014, resulting in the continuation of positive and stable operating results for 2015.

### Storm Water Utility

In 2015, the utility had operating income, before transfers and contributions, of \$647,512 and an increase in net position of \$310,120. 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 2015 General Fund adopted expenditure and other financing uses budget totaled \$23,438,230. The Common Council approved departmental 2015 carryover requests of 2014 unspent operating funds of \$9,795 for an amended expenditure and other financing uses budget of \$23,448,025. The City's final adopted General Fund revenue and other financing sources budget totaled \$23,355,480. The 2015 adopted budget, before carryovers, also included the use of \$82,750 of reserves to balance the General Fund operating budget.

The City ended 2015 with a total fund balance increase of \$128,012 and an unassigned fund balance decrease of \$54,490 from 2014, maintaining a stable trend established over recent years.

## **Management's Discussion and Analysis (Unaudited)**

Actual general fund revenue was \$270,829 (1.16%) less than budget. The City experienced positive variances in Taxes (\$14,652) and Licenses and Permits (\$96,591), while Intergovernmental Revenues (\$7,412), Fines, Forfeitures and Penalties (\$42,694), Investment Income/Miscellaneous (\$179,030) and Other Financing Sources (\$153,325) experienced negative variances.

General fund expenditures finished 2015 with a favorable budget variance of \$491,386 (2.10%). All operating facets experienced positive variances, including General Government (\$71,661), Public Safety (\$244,249), Public Works (\$79,337), Parks, Recreation and Education (\$15,932), Health and Welfare (\$210), Community Development (\$59,355) and Other (\$20,642). Statements highlighting budget versus actual variances can be found on pages 79 through 82 of this report.

In summary, the City's combined negative revenue variance of \$270,829 and positive expenditure variance of \$491,386 led to a 2015 General Fund operating gain of \$220,557. This number, when reduced by the 2015 budgeted use of reserves of \$82,750 and by the 2015 carryovers of \$9,795, equals the total increase in fund balance of \$128,012 for fiscal year 2015.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### ***Capital Assets***

At the end of 2015, the City of Neenah had a net investment in capital assets of \$204,132,479, for all governmental and business-type activities of the City. This is a decrease of \$2,639,117 or 1.28%, from the end of 2014.

Major capital asset additions (before depreciation) that took place in the City's governmental activities include net additions to Land and Land Improvements (\$149,210), Buildings (\$204,718), Equipment, Furniture and Fixtures (\$242,366), Streets (\$530,343), Bridges (\$100,846) and Sidewalks/Trails (\$91,149). 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 (\$345,646). The City's Sewerage Disposal Utility saw a net increase in Collection System (\$194,882), while the Storm Water Utility also had a net addition in Collection System (\$122,059). The City's Parking Utility saw no major reduction in any categories in 2015. 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	
	2015	2014	2015	2014	2015	2014
Land	\$12,870,233	\$12,748,936	\$280,447	\$280,447	\$13,150,680	\$13,029,383
Detention Ponds	-	-	3,421,404	3,400,156	3,421,404	3,400,156
Right-of-way	13,112,194	13,112,194	-	-	13,112,194	13,112,194
Land Improvements	10,354,074	10,326,161	-	-	10,354,074	10,326,161
Depreciable Capital Assets	149,610,563	148,346,638	104,654,600	103,944,998	254,265,163	252,291,636
Construction in progress	-	41,262	-	-	-	41,262
Total capital assets	185,947,064	184,575,191	108,356,451	107,625,601	294,303,515	292,200,792
Less accumulated depreciation	(58,227,089)	(55,586,753)	(31,943,947)	(29,842,443)	(90,171,036)	(85,429,196)
Capital assets net of depreciation	<u>\$127,719,975</u>	<u>\$128,988,438</u>	<u>\$76,412,504</u>	<u>\$77,783,158</u>	<u>\$204,132,479</u>	<u>\$206,771,596</u>

More detail regarding the City's capital assets can be found in Note IV (D) on pages 42 to 45 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, 2015 totaled \$45,444,880. The City also had a Note Anticipation Note (NAN) totaling \$1,350,000 and revenue debt outstanding of \$30,214,472 backed by revenues generated from the Neenah Water Utility (\$19,739,162) and Storm Water Utility (\$372,662). The revenue debt total also includes \$10,102,648 of Sanitary Sewer Clean Water Loan Fund Revenue debt of which the City is responsible through its ownership share in the Neenah-Menasha Sewerage Commission, which issued the loan in 2013. In addition, the City is the lessee for Capital Leases totaling \$22,090,611 owed to the City's Community Development Authority (CDA).

In 2015, the City issued \$6,250,000 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 Improvement Projects	\$3,070,000
Tax Incremental Financing Districts	165,000
Sanitary Sewer Utility	655,000
Storm Water Utility	515,000
Refunding 2005 G.O. Bonds	665,000
Refunding 2007 G.O. Bonds	<u>1,180,000</u>
	\$6,250,000

The City also issued \$1,350,000 of Note Anticipation Notes (NAN's) to provide a short-term financing option for a potential development project in Tax Incremental Financing District No. 10. The NAN's have a final maturity of September 2017.

## Management's Discussion and Analysis (Unaudited)

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.

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 2015 equalized value of \$1,933,055,000, the City's statutory debt limit totaled \$96,652,750. The City was at 47.02% of its legal debt limit as of December 31, 2015.

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

### CITY OF NEENAH OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation bonds and notes	\$36,925,947	\$37,821,664	\$8,518,933	\$8,686,334	\$45,444,880	\$46,507,998
Note anticipation notes	1,350,000	-	-	-	1,350,000	-
Capital leases	22,090,611	22,544,141	-	-	22,090,611	22,544,141
Revenue bonds	-	-	30,214,472	33,193,999	30,214,472	33,193,999
Total	<u>\$60,366,558</u>	<u>\$60,365,805</u>	<u>\$38,733,405</u>	<u>\$ 41,880,333</u>	<u>\$99,099,963</u>	<u>\$ 102,246,138</u>

More detail regarding the City's outstanding debt can be found in Note IV (F) on pages 49 through 55 of this report.

### ECONOMIC FACTORS, 2015 TAX RATES AND THE 2016 BUDGET

As we enter 2016, the City of Neenah has experienced relative stability in both city government as well as the community as a whole. The macro economic problems of job growth and stagnant property values have improved in recent years. While significant challenges still exist, the City has benefitted from proactively preparing itself to confront these challenges head on, and believes it is well positioned to meet these and any future issues 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 experienced moderate growth in housing, commercial and industrial property values in 2015. Entering 2016, the city continues to aggressively seek development in all three sectors through the conservative yet creative use of Tax Incremental Financing as well as quality of life improvements within the community at large.

In an effort that 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.

## **Management's Discussion and Analysis (Unaudited)**

Savings from the State collective bargaining reforms for non-public safety employees have been instrumental in offsetting state revenue reductions. 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. Consequently, labor negotiations with public safety employees generated additional savings affecting budget years 2012 to 2014 that continue in 2015 and beyond.

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 2016 budget provided for an operating tax levy increase of 1.19% (before TIF), with a 1.29% increase after TIF. This translated into an assessed tax rate (after TIF) for City services of \$9.2144 per \$1,000 of assessed valuation (a .31% increase). The corresponding equalized tax rate is \$9.1884 per \$1,000 of equalized value (a .52% 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. Operating cost reductions utility-wide have also been implemented to mitigate reductions in water sales. The Utility's rate of return for 2015 was 6.30%. 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. No rate changes were implemented for 2015. 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 through 2015. 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](http://www.ci.neenah.wi.us).

**CITY OF NEENAH**

STATEMENT OF NET POSITION  
As of December 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business- type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 13,660,150	\$ 10,327,063	\$ 23,987,213	\$ 49,543
Receivables (net)				
Taxes	20,972,243	-	20,972,243	130,030
Delinquent personal property	143,180	-	143,180	-
Special assessments	871,269	120,364	991,633	-
Loans	566,697	-	566,697	-
Accrued interest	97,708	-	97,708	68,313
Accounts	251,227	1,442,413	1,693,640	-
Unbilled revenues	-	1,551,633	1,551,633	-
Other	382,585	3,586	386,171	-
Internal balances	1,006,967	(1,006,967)	-	-
Due from component unit	2,331,786	-	2,331,786	-
Due from other governments	62,486	10,102,648	10,165,134	-
Lease receivable from primary government	-	-	-	22,090,611
Inventories	206,053	149,460	355,513	-
Prepaid items	309,332	1,929	311,261	-
Restricted Assets				
Cash and investments	-	2,454,570	2,454,570	2,331,786
Accrued interest	-	6,565	6,565	-
Net pension asset	2,847,795	265,706	3,113,501	-
Deposit with risk pool	1,117,155	-	1,117,155	-
Other assets	-	129,626	129,626	-
Land held for resale	773,000	-	773,000	-
Capital Assets				
Land	12,870,233	280,447	13,150,680	-
Detention ponds	-	3,421,404	3,421,404	-
Right-of-way	13,112,194	-	13,112,194	-
Land improvements	10,354,074	-	10,354,074	-
Depreciable capital assets, net	91,383,474	72,710,653	164,094,127	5,499
Total Assets	<u>173,319,608</u>	<u>101,961,100</u>	<u>275,280,708</u>	<u>24,675,782</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on advance refunding	197,088	150,937	348,025	729,389
Pension related amounts	2,951,189	274,687	3,225,876	-
Total Deferred Outflows of Resources	<u>3,148,277</u>	<u>425,624</u>	<u>3,573,901</u>	<u>729,389</u>
<b>LIABILITIES</b>				
Accounts payable	1,071,616	211,292	1,282,908	8,086
Other accrued liabilities	750,873	114,312	865,185	68,313
Claims payable	234,072	-	234,072	-
Due to other governmental units	490	-	490	-
Due to primary government	-	-	-	2,331,786
Other liabilities	532,873	26,209	559,082	-
Unearned revenue	-	4,972	4,972	-
Liabilities Payable From Restricted Assets				
Current maturities of revenue debt	-	2,793,259	2,793,259	-
Accrued interest	-	71,266	71,266	-
Noncurrent Liabilities				
Due within one year	6,466,673	1,506,593	7,973,266	520,000
Due in more than one year	58,468,315	34,884,516	93,352,831	22,300,000
Total Liabilities	<u>67,524,912</u>	<u>39,612,419</u>	<u>107,137,331</u>	<u>25,228,185</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	20,822,001	-	20,822,001	129,993
<b>NET POSITION</b>				
Net investment in capital assets	82,609,149	48,640,340	130,261,286	5,499
Restricted for				
Debt service	3,333,011	1,180,612	4,513,623	-
TIF Districts	2,310,612	-	2,310,612	-
Loans	873,935	-	873,935	-
Grant programs	114,459	-	114,459	-
Library	1,344,114	-	1,344,114	-
Cemetery	1,237,253	-	1,237,253	-
Depreciation	-	250,000	250,000	-
Pension	2,847,795	265,706	3,113,501	-
Unrestricted (deficit)	<u>(6,549,356)</u>	<u>12,437,647</u>	<u>6,876,494</u>	<u>41,494</u>
<b>TOTAL NET POSITION</b>	<u>\$ 88,120,972</u>	<u>\$ 62,774,305</u>	<u>\$ 150,895,277</u>	<u>\$ 46,993</u>

See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 2,570,344	\$ 786,360	\$ -	\$ -
Public safety	11,031,978	291,192	134,546	-
Public works	8,195,235	190,782	-	347,985
Recycling	513,724	279,842	227,668	-
Parks, recreation, and education	4,904,368	1,407,084	121,024	476,998
Health and welfare	7,345	70,320	-	-
Community development	2,037,299	258,975	424,607	-
Interest and fiscal charges	2,052,080	-	-	-
Total Governmental Activities	<u>31,312,373</u>	<u>3,284,555</u>	<u>907,845</u>	<u>824,983</u>
Business-type Activities				
Water utility	5,227,739	7,986,324	-	78,139
Sewerage disposal utility	3,172,687	4,319,189	-	199,423
Stormwater utility	1,079,751	1,720,630	-	44,918
Parking utility	260,187	305,570	-	-
Total Business-type Activities	<u>9,740,364</u>	<u>14,331,713</u>	<u>-</u>	<u>322,480</u>
Total Primary Government	<u>\$ 41,052,737</u>	<u>\$ 17,616,268</u>	<u>\$ 907,845</u>	<u>\$ 1,147,463</u>
<b>Component Units - Business-type Activities</b>				
Business Improvement District	\$ 122,321	\$ -	\$ -	\$ -
Community Development Authority	888,589	-	-	-
Total Component Units	<u>\$ 1,010,910</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 (as restated)

**NET POSITION - Ending**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Totals	
\$ (1,783,984)	\$ -	\$ (1,783,984)	\$ -
(10,606,240)	-	(10,606,240)	-
(7,656,468)	-	(7,656,468)	-
(6,214)	-	(6,214)	-
(2,899,262)	-	(2,899,262)	-
62,975	-	62,975	-
(1,353,717)	-	(1,353,717)	-
(2,052,080)	-	(2,052,080)	-
<u>(26,294,990)</u>	<u>-</u>	<u>(26,294,990)</u>	<u>-</u>
-	2,836,724	2,836,724	-
-	1,345,925	1,345,925	-
-	685,797	685,797	-
-	45,383	45,383	-
-	<u>4,913,829</u>	<u>4,913,829</u>	<u>-</u>
(26,294,990)	4,913,829	(21,381,161)	-
-	-	-	(122,321)
-	-	-	(888,589)
12,807,863	-	12,807,863	-
3,210,000	-	3,210,000	-
4,226,881	-	4,226,881	-
13,082	20,000	33,082	131,020
3,962,895	-	3,962,895	-
197,483	40,773	238,256	888,632
647,320	1,282	648,602	744
<u>2,338,365</u>	<u>(2,338,365)</u>	<u>-</u>	<u>-</u>
<u>27,403,889</u>	<u>(2,276,310)</u>	<u>25,127,579</u>	<u>1,020,396</u>
1,108,899	2,637,519	3,746,418	9,486
<u>87,012,073</u>	<u>60,136,786</u>	<u>147,148,859</u>	<u>37,507</u>
<u>\$ 88,120,972</u>	<u>\$ 62,774,305</u>	<u>\$ 150,895,277</u>	<u>\$ 46,993</u>

See accompanying notes to financial statements.

**CITY OF NEENAH**

BALANCE SHEET - GOVERNMENTAL FUNDS  
As of December 31, 2015

	General	Special Revenue -	
		TIF District No. 8	Debt Service
<b>ASSETS</b>			
Cash and investments	\$ 3,141,594	\$ 1,876	\$ 937
Receivables (net)			
Taxes	13,057,049	1,295,978	3,402,789
Delinquent personal property	143,180	-	-
Special assessments	3,893	-	302,584
Loans	-	-	-
Accrued interest	97,708	-	-
Other	303,608	-	-
Due from other funds	1,058,024	-	-
Due from component unit	-	-	-
Due from other governments	3,009	-	-
Inventories	1,766	-	-
Prepaid items	17,361	-	-
Advances to other funds	-	-	3,600,000
<b>TOTAL ASSETS</b>	<b>\$ 17,827,192</b>	<b>\$ 1,297,854</b>	<b>\$ 7,306,310</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 379,833	\$ -	\$ 70
Other accrued liabilities	226,644	-	-
Due to other governmental units	490	-	-
Due to other funds	51,057	-	164,000
Other liabilities	-	-	-
Advances from other funds	-	5,791,070	-
Total Liabilities	<u>658,024</u>	<u>5,791,070</u>	<u>164,070</u>
Deferred Inflows of Resources			
Unearned revenue	13,008,629	1,295,978	3,285,000
Unavailable revenue	19,423	-	302,224
Total Deferred Inflows of Resources	<u>13,028,052</u>	<u>1,295,978</u>	<u>3,587,224</u>
Fund Balances			
Nonspendable:			
Delinquent personal property taxes	143,180	-	-
Inventories	1,766	-	-
Prepaid items	17,361	-	-
Restricted	-	-	3,555,016
Committed	-	-	-
Assigned	286,201	-	-
Unassigned (deficit)	3,692,608	(5,789,194)	-
Total Fund Balances	<u>4,141,116</u>	<u>(5,789,194)</u>	<u>3,555,016</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 17,827,192</b>	<b>\$ 1,297,854</b>	<b>\$ 7,306,310</b>

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.

The net pension asset does not relate to current financial resources and is not reported in the governmental funds.

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

Capital Projects - Public Infrastructure	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,475,460	\$ 5,689,219	\$ 11,309,086
-	3,216,427	20,972,243
-	-	143,180
564,792	-	871,269
-	566,697	566,697
-	-	97,708
49,002	29,975	382,585
164,000	-	1,222,024
-	2,331,786	2,331,786
59,477	-	62,486
-	-	1,766
-	2,211	19,572
891,000	5,138,160	9,629,160
<u>\$ 4,203,731</u>	<u>\$ 16,974,475</u>	<u>\$ 47,609,562</u>

\$ 65,558	\$ 184,093	\$ 629,554
-	-	226,644
-	-	490
-	-	215,057
473,462	59,411	532,873
-	3,838,090	9,629,160
<u>539,020</u>	<u>4,081,594</u>	<u>11,233,778</u>

-	3,216,425	20,806,032
-	-	321,647
-	3,216,425	21,127,679

-	-	143,180
-	-	1,766
-	2,211	19,572
-	9,645,181	13,200,197
-	1,098,278	1,098,278
3,664,711	1,127,238	5,078,150
-	(2,196,452)	(4,293,038)
<u>3,664,711</u>	<u>9,676,456</u>	<u>15,248,105</u>

\$ 4,203,731    \$ 16,974,475

127,719,975

773,000

321,647

1,162,783

(62,903,522)

2,847,795

2,951,189

\$ 88,120,972

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, 2015

	Special Revenue -		
	General	TIF District No. 8	Debt Service
<b>REVENUES</b>			
Taxes	\$ 12,834,912	\$ 1,331,392	\$ 3,210,000
Intergovernmental	3,641,588	203,210	105,415
Licenses and permits	338,491	-	-
Fines, forfeitures and penalties	83,306	-	-
Special assessments	-	-	255,338
Charges for services	2,676,479	-	-
Contributions	-	-	-
Investment income and miscellaneous	579,420	78,545	-
<b>Total Revenues</b>	<u>20,154,196</u>	<u>1,613,147</u>	<u>3,570,753</u>
<b>EXPENDITURES</b>			
Current			
General government	2,177,819	-	-
Public safety	10,943,161	-	-
Public works	4,147,828	-	-
Recycling	-	-	-
Parks, recreation, and education	4,009,698	-	-
Health and welfare	-	-	-
Community development	1,414,435	9,123	-
Conservation and development	-	-	-
Other	251,698	-	-
Capital Outlay	-	-	-
Debt Service			
Principal retirement	-	453,531	4,795,726
Interest and fiscal charges	-	891,181	1,048,818
<b>Total Expenditures</b>	<u>22,944,639</u>	<u>1,353,835</u>	<u>5,844,544</u>
Excess (deficiency) of revenues over expenditures	<u>(2,790,443)</u>	<u>259,312</u>	<u>(2,273,791)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	162,210	-
Payment to fiscal agent for advance refunding	-	-	(1,259,854)
Premium on debt	-	3,573	67,511
Sale of city property	118	-	-
Transfers in	2,930,337	-	4,282,998
Transfers out	(12,000)	(1,395,210)	-
<b>Total Other Financing Sources (Uses)</b>	<u>2,918,455</u>	<u>(1,229,427)</u>	<u>3,090,655</u>
<b>Net Change in Fund Balance</b>	128,012	(970,115)	816,864
FUND BALANCES (DEFICIT) - Beginning	<u>4,013,104</u>	<u>(4,819,079)</u>	<u>2,738,152</u>
<b>FUND BALANCES (DEFICIT) - ENDING</b>	<u>\$ 4,141,116</u>	<u>\$ (5,789,194)</u>	<u>\$ 3,555,016</u>

Capital Projects - Public Infrastructure	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 3,175,331	\$ 20,551,635
59,477	1,251,908	5,261,598
-	-	338,491
-	-	83,306
-	-	255,338
-	-	2,676,479
-	160,646	160,646
-	51,411	709,376
<u>59,477</u>	<u>4,639,296</u>	<u>30,036,869</u>
-	-	2,177,819
-	19,101	10,962,262
-	-	4,147,828
-	544,038	544,038
-	85,054	4,094,752
-	3,328	3,328
-	558,054	1,981,612
-	7,466	7,466
-	-	251,698
1,334,730	2,358,251	3,692,981
-	-	5,249,257
-	48,387	1,988,386
<u>1,334,730</u>	<u>3,623,679</u>	<u>35,101,427</u>
<u>(1,275,253)</u>	<u>1,015,617</u>	<u>(5,064,558)</u>
1,391,060	4,876,730	6,430,000
-	-	(1,259,854)
-	59,211	130,295
-	13,969	14,087
-	804,600	8,017,935
<u>(445,000)</u>	<u>(3,662,360)</u>	<u>(5,514,570)</u>
<u>946,060</u>	<u>2,092,150</u>	<u>7,817,893</u>
(329,193)	3,107,767	2,753,335
<u>3,993,904</u>	<u>6,568,689</u>	<u>12,494,770</u>
<u>\$ 3,664,711</u>	<u>\$ 9,676,456</u>	<u>\$ 15,248,105</u>

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, 2015

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Net change in fund balances - total governmental funds	\$ 2,753,335
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Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	3,692,981
Some items are reported as capital outlay but are not capitalized	(814,805)
Depreciation is reported in the government-wide statements	(4,112,101)
Net book value of assets retired	(34,537)

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.

31,952

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 (\$5,080,000 for general obligation debt and \$1,350,000 for note anticipation notes) exceeded payments (\$5,975,717 for principal of general obligation debt and \$453,530 for principal of capital lease)

(753)

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 additions to 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.

(48,113)

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.

Compensated absences	(28,436)
Accrued interest on debt	(18,712)
Other post-employment benefits	(70,142)
Amortization of loss on advance refunding	(47,301)
Net pension asset	(1,756,809)
Deferred outflow of resources related to pensions	1,754,705

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.

(192,365)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

**\$ 1,108,899**

See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
As of December 31, 2015

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
<b>Current Assets</b>						
Cash and investments	\$ 4,655,815	\$ 2,214,298	\$ 3,299,310	\$ 157,640	\$ 10,327,063	\$ 2,351,064
Accounts receivable	824,840	452,747	163,006	1,820	1,442,413	251,227
Unbilled revenues	895,411	513,718	142,504	-	1,551,633	-
Other accounts receivable	3,586	-	-	-	3,586	-
Due from other funds	69	50,709	279	-	51,057	-
Inventories	148,740	-	-	720	149,460	204,287
Prepaid items	1,929	-	-	-	1,929	289,760
Current portion of due from other governments	-	478,301	-	-	478,301	-
Other assets	569	-	-	-	569	-
Restricted Assets						
Bond redemption account	1,064,473	-	17,184	-	1,081,657	-
<b>Total Current Assets</b>	<b>7,595,432</b>	<b>3,709,773</b>	<b>3,622,283</b>	<b>160,180</b>	<b>15,087,668</b>	<b>3,096,338</b>
<b>Non-Current Assets</b>						
Restricted Assets						
Bond depreciation account	250,000	-	-	-	250,000	-
Bond reserve account	1,122,913	-	-	-	1,122,913	-
Interest receivable	6,565	-	-	-	6,565	-
Net pension asset	185,460	18,380	51,696	10,170	265,706	-
Deposit with risk pool	-	-	-	-	-	1,117,155
Capital Assets						
Land	122,180	-	-	158,267	280,447	-
Detention ponds	-	-	3,421,404	-	3,421,404	-
Plant in service	60,489,693	26,108,770	17,955,028	101,109	104,654,600	-
Accumulated depreciation	(16,318,226)	(9,341,609)	(6,195,017)	(89,095)	(31,943,947)	-
Due from other governments	-	9,624,347	-	-	9,624,347	-
Other Assets						
Special assessments	-	116,849	3,515	-	120,364	-
Deferred loss on retirement	129,057	-	-	-	129,057	-
<b>Total Non-Current Assets</b>	<b>45,987,642</b>	<b>26,526,737</b>	<b>15,236,626</b>	<b>180,451</b>	<b>87,931,456</b>	<b>1,117,155</b>
<b>Total Assets</b>	<b>53,583,074</b>	<b>30,236,510</b>	<b>18,858,909</b>	<b>340,631</b>	<b>103,019,124</b>	<b>4,213,493</b>
<b>Deferred Outflows of Resources</b>						
Unamortized loss on advance refunding	95,325	22,015	33,597	-	150,937	-
Pension related amounts	192,906	20,108	50,783	10,890	274,687	-
<b>Total Deferred Outflows of Resources</b>	<b>288,231</b>	<b>42,123</b>	<b>84,380</b>	<b>10,890</b>	<b>425,624</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 53,871,305</b>	<b>\$ 30,278,633</b>	<b>\$ 18,943,289</b>	<b>\$ 351,521</b>	<b>\$ 103,444,748</b>	<b>\$ 4,213,493</b>

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>						
Current Liabilities						
Accounts payable	\$ 116,438	\$ 54,430	\$ 30,978	\$ 9,446	\$ 211,292	\$ 442,062
Other accrued liabilities	-	46,378	33,941	33,993	114,312	-
Claims payable	-	-	-	-	-	234,072
Due to other funds	1,058,024	-	-	-	1,058,024	-
Other current liabilities	26,209	-	-	-	26,209	-
Unearned revenue	4,972	-	-	-	4,972	-
Compensated absences	22,912	-	-	-	22,912	1,015,885
General obligation debt	-	962,057	521,624	-	1,483,681	-
Current Liabilities Payable From Restricted Assets						
Current maturities of revenue debt	2,293,373	478,301	21,585	-	2,793,259	-
Accrued interest	69,308	-	1,958	-	71,266	-
Total Current Liabilities	<u>3,591,236</u>	<u>1,541,166</u>	<u>610,086</u>	<u>43,439</u>	<u>5,785,927</u>	<u>1,692,019</u>
Noncurrent Liabilities						
General obligation debt payable	-	4,910,647	2,254,195	-	7,164,842	-
Revenue debt	17,567,800	9,624,347	351,077	-	27,543,224	-
Compensated absences	123,167	-	-	-	123,167	1,342,722
Other post-employment benefits	36,273	4,442	9,381	3,187	53,283	-
Total Noncurrent Liabilities	<u>17,727,240</u>	<u>14,539,436</u>	<u>2,614,653</u>	<u>3,187</u>	<u>34,884,516</u>	<u>1,342,722</u>
Total Liabilities	<u>21,318,476</u>	<u>16,080,602</u>	<u>3,224,739</u>	<u>46,626</u>	<u>40,670,443</u>	<u>3,034,741</u>
Deferred Inflows of Resources						
Unearned revenue	-	-	-	-	-	15,969
<b>NET POSITION</b>						
Net investment in capital assets	25,487,056	10,916,472	12,066,531	170,281	48,640,340	-
Restricted for debt service	1,165,386	-	15,226	-	1,180,612	-
Restricted for depreciation	250,000	-	-	-	250,000	-
Restricted for pension	185,460	18,380	51,696	10,170	265,706	-
Unrestricted	<u>5,464,927</u>	<u>3,263,179</u>	<u>3,585,097</u>	<u>124,444</u>	<u>12,437,647</u>	<u>1,162,783</u>
Total Net Position	<u>32,552,829</u>	<u>14,198,031</u>	<u>15,718,550</u>	<u>304,895</u>	<u>62,774,305</u>	<u>1,162,783</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 53,871,305</u>	<u>\$ 30,278,633</u>	<u>\$ 18,943,289</u>	<u>\$ 351,521</u>	<u>\$ 103,444,748</u>	<u>\$ 4,213,493</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, 2015

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Fund
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
<b>OPERATING REVENUES</b>						
Fees, fines, and forfeitures	\$ -	\$ 40,250	\$ -	\$ 305,570	\$ 345,820	\$ -
Charges for services	7,714,877	4,278,939	1,691,104	-	13,684,920	9,350,527
Miscellaneous operating income	271,447	-	29,526	-	300,973	-
Total Operating Revenues	<u>7,986,324</u>	<u>4,319,189</u>	<u>1,720,630</u>	<u>305,570</u>	<u>14,331,713</u>	<u>9,350,527</u>
<b>OPERATING EXPENSES</b>						
Utility operations	2,995,535	2,411,887	726,154	259,459	6,393,035	-
Administration	-	265,967	56,898	-	322,865	-
Depreciation	1,573,076	364,896	220,893	728	2,159,593	-
Other	129,059	-	-	-	129,059	9,377,892
Total Operating Expenses	<u>4,697,670</u>	<u>3,042,750</u>	<u>1,003,945</u>	<u>260,187</u>	<u>9,004,552</u>	<u>9,377,892</u>
Operating Income (Loss)	<u>3,288,654</u>	<u>1,276,439</u>	<u>716,685</u>	<u>45,383</u>	<u>5,327,161</u>	<u>(27,365)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	22,817	11,323	6,633	-	40,773	-
Unrealized loss	(11,660)	-	-	-	(11,660)	-
Taxes	-	-	-	20,000	20,000	-
Miscellaneous non-operating income	14,377	-	-	-	14,377	-
Loss on sale of capital asset	(1,435)	-	-	-	(1,435)	-
Interest expense	(536,355)	(129,546)	(71,517)	-	(737,418)	-
Amortization of loss on advance refunding	(13,043)	(5,284)	(8,063)	-	(26,390)	-
Debt issuance costs	-	(10,468)	(8,231)	-	(18,699)	-
Amortization of premium	19,329	15,361	12,005	-	46,695	-
Total Nonoperating Revenues (Expenses)	<u>(505,970)</u>	<u>(118,614)</u>	<u>(69,173)</u>	<u>20,000</u>	<u>(673,757)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	<u>2,782,684</u>	<u>1,157,825</u>	<u>647,512</u>	<u>65,383</u>	<u>4,653,404</u>	<u>(27,365)</u>
Capital contributions	78,139	199,423	44,918	-	322,480	-
Transfers out	(32,274)	(735,937)	(382,310)	(129,820)	(1,280,341)	(165,000)
Transfers - tax equivalent	(1,058,024)	-	-	-	(1,058,024)	-
<b>Change in Net Position</b>	<u>1,770,525</u>	<u>621,311</u>	<u>310,120</u>	<u>(64,437)</u>	<u>2,637,519</u>	<u>(192,365)</u>
TOTAL NET POSITION - Beginning (as restated)	<u>30,782,304</u>	<u>13,576,720</u>	<u>15,408,430</u>	<u>369,332</u>	<u>60,136,786</u>	<u>1,355,148</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 32,552,829</u>	<u>\$ 14,198,031</u>	<u>\$ 15,718,550</u>	<u>\$ 304,895</u>	<u>\$ 62,774,305</u>	<u>\$ 1,162,783</u>

See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Received from customers	\$ 8,226,840	\$ 4,374,252	\$ 1,794,519	\$ 317,169	\$ 14,712,780	\$ 9,365,854
Paid to suppliers for good and services	(1,937,430)	(2,529,465)	(525,680)	(199,528)	(5,192,103)	(9,756,729)
Paid to employees	(1,046,409)	(122,263)	(226,436)	(69,342)	(1,464,450)	-
Net Cash Provided (Used) by Operating Activities	<u>5,243,001</u>	<u>1,722,524</u>	<u>1,042,403</u>	<u>48,299</u>	<u>8,056,227</u>	<u>(390,875)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances for cash deficits	-	-	-	-	-	2,543,100
Paid to municipality for tax equivalent	(1,052,555)	-	-	-	(1,052,555)	-
Transfers out	(32,274)	(735,937)	(382,310)	(129,820)	(1,280,341)	(165,000)
General property taxes	-	-	-	20,000	20,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,084,829)</u>	<u>(735,937)</u>	<u>(382,310)</u>	<u>(109,820)</u>	<u>(2,312,896)</u>	<u>2,378,100</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Additions to capital assets	(463,323)	(199,859)	(108,260)	-	(771,442)	-
Capital contributed by customers	23,521	113,987	-	-	137,508	-
Special assessments received	-	44,358	-	-	44,358	-
Long-term debt issued	-	655,000	515,000	-	1,170,000	-
Debt issuance costs and premiums	-	(10,468)	(8,231)	-	(18,699)	-
Principal paid on long-term debt	(2,531,529)	(874,113)	(484,215)	-	(3,889,857)	-
Interest paid on long-term debt	(544,463)	(117,859)	(60,273)	-	(722,595)	-
Net Cash Used by Capital and Related Financing Activities	<u>(3,515,794)</u>	<u>(388,954)</u>	<u>(145,979)</u>	<u>-</u>	<u>(4,050,727)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment income	6,770	11,323	6,633	-	24,726	-
Investments sold and matured	74,061	-	-	-	74,061	-
Investments purchased	(515,783)	-	-	-	(515,783)	-
Net Cash Provided by Investing Activities	<u>(434,952)</u>	<u>11,323</u>	<u>6,633</u>	<u>-</u>	<u>(416,996)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>207,426</u>	<u>608,956</u>	<u>520,747</u>	<u>(61,521)</u>	<u>1,275,608</u>	<u>1,987,225</u>
CASH AND CASH EQUIVALENTS - Beginning	<u>5,943,619</u>	<u>1,605,342</u>	<u>2,795,747</u>	<u>219,161</u>	<u>10,563,869</u>	<u>363,839</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 6,151,045</u>	<u>\$ 2,214,298</u>	<u>\$ 3,316,494</u>	<u>\$ 157,640</u>	<u>\$ 11,839,477</u>	<u>\$ 2,351,064</u>

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 3,288,654	\$ 1,276,439	\$ 716,685	\$ 45,383	\$ 5,327,161	\$ (27,365)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities						
Nonoperating income	14,377	-	-	-	14,377	-
Depreciation expense	1,573,076	364,896	220,893	728	2,159,593	-
Depreciation charged to sewer utility	120,662	-	-	-	120,662	-
Amortization of loss on retirement	129,059	-	-	-	129,059	-
Changes in Assets, Liabilities, and Deferred Inflows						
Accounts receivable	143,902	57,297	73,718	11,599	286,516	(14,976)
Other accounts receivable	325	-	-	20,000	20,325	-
Due from other funds	-	(2,234)	171	-	(2,063)	27,970
Inventories	(29,996)	-	-	-	(29,996)	(19,747)
Prepaid items	(467)	-	-	-	(467)	(247,259)
Accounts payable	3,993	27,172	17,385	(10,414)	38,136	141,611
Claims payable	-	-	-	-	-	(347,207)
Due to other funds	-	-	-	-	-	(2,970)
Other current liabilities	9,176	-	10,722	-	19,898	-
Unearned revenues	(3,129)	-	-	(20,000)	(23,129)	2,333
Pension related deferrals and liabilities	(575)	(1,046)	2,829	(343)	865	-
Compensated absences	(12,022)	-	-	820	(11,202)	114,186
Other post-employment benefits	5,966	-	-	526	6,492	(17,451)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 5,243,001</b>	<b>\$ 1,722,524</b>	<b>\$ 1,042,403</b>	<b>\$ 48,299</b>	<b>\$ 8,056,227</b>	<b>\$ (390,875)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>						
Cash and investments	\$ 4,655,815	\$ 2,214,298	\$ 3,299,310	\$ 157,640	\$ 10,327,063	\$ 2,351,064
Restricted cash and investments						
Bond redemption account	1,064,473	-	17,184	-	1,081,657	-
Bond depreciation account	250,000	-	-	-	250,000	-
Bond reserve account	1,122,913	-	-	-	1,122,913	-
Total Cash and Investments	7,093,201	2,214,298	3,316,494	157,640	12,781,633	2,351,064
Less: Noncash Equivalents	(942,156)	-	-	-	(942,156)	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 6,151,045</b>	<b>\$ 2,214,298</b>	<b>\$ 3,316,494</b>	<b>\$ 157,640</b>	<b>\$ 11,839,477</b>	<b>\$ 2,351,064</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Developer and customer financed additions to utility plant	\$ 54,618	\$ -	\$ -	\$ -	\$ 54,618	\$ -
Unrealized loss on investments	\$ (11,661)	\$ -	\$ -	\$ -	\$ (11,661)	\$ -
Capital costs special assessed to customers	\$ -	\$ 53,512	\$ -	\$ -	\$ 53,512	\$ -
Debt issued on behalf of NMSC	\$ -	\$ 38,900	\$ -	\$ -	\$ 38,900	\$ -
Principal paid by NMSC	\$ -	\$ (465,971)	\$ -	\$ -	\$ (465,971)	\$ -

See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
As of December 31, 2015

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 21,988,826
Property taxes receivable	6,572,115
Accounts receivable	9,359
Due from other governmental units	<u>273,152</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 28,843,452</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 127,648
Accrued liabilities	1,371,348
Due to other governmental units	27,118,283
Advances from other governmental units	<u>226,173</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 28,843,452</u></b>

See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF NET POSITION  
COMPONENT UNITS  
As of December 31, 2015

	Business Improvement District	Community Development Authority	Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Current Assets			
Cash and investments	\$ 49,543	\$ -	\$ 49,543
Receivables			
Taxes	130,030	-	130,030
Accrued interest	-	68,313	68,313
Total Current Assets	<u>179,573</u>	<u>68,313</u>	<u>247,886</u>
Noncurrent Assets			
Lease receivable from primary government	-	22,090,611	22,090,611
Restricted cash and investments	-	2,331,786	2,331,786
Capital Assets			
Depreciable capital assets	11,000	-	11,000
Less accumulated depreciation	<u>(5,501)</u>	<u>-</u>	<u>(5,501)</u>
Total Noncurrent Assets	<u>5,499</u>	<u>24,422,397</u>	<u>24,427,896</u>
Total Assets	<u>185,072</u>	<u>24,490,710</u>	<u>24,675,782</u>
Deferred Outflows of Resources			
Unamortized loss on advance refunding	<u>-</u>	<u>729,389</u>	<u>729,389</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
Current Liabilities			
Accounts payable	8,086	-	8,086
Other accrued liabilities	-	68,313	68,313
Lease revenue bonds payable	-	520,000	520,000
Due to primary government	<u>-</u>	<u>2,331,786</u>	<u>2,331,786</u>
Total Current Liabilities	<u>8,086</u>	<u>2,920,099</u>	<u>2,928,185</u>
Noncurrent Liabilities			
Lease revenue bonds payable	<u>-</u>	<u>22,300,000</u>	<u>22,300,000</u>
Total Liabilities	<u>8,086</u>	<u>25,220,099</u>	<u>25,228,185</u>
Deferred Inflows of Resources			
Unearned revenue	<u>129,993</u>	<u>-</u>	<u>129,993</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,499	-	5,499
Unrestricted	<u>41,494</u>	<u>-</u>	<u>41,494</u>
<b>TOTAL NET POSITION</b>	<u>\$ 46,993</u>	<u>\$ -</u>	<u>\$ 46,993</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, 2015

	<u>Business Improvement District</u>	<u>Community Development Authority</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Taxes	\$ 131,020	\$ -	\$ 131,020
Miscellaneous	744	-	744
Total Operating Revenues	<u>131,764</u>	<u>-</u>	<u>131,764</u>
<b>OPERATING EXPENSES</b>			
Current			
Conservation and development	118,202	-	118,202
Depreciation	1,519	-	1,519
Total Operating Expenses	<u>119,721</u>	<u>-</u>	<u>119,721</u>
Operating Income	<u>12,043</u>	<u>-</u>	<u>12,043</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	43	888,589	888,632
Loss on sale of capital asset	(2,600)	-	(2,600)
Interest expense	-	(832,120)	(832,120)
Amortization of loss on advance refunding	-	(56,469)	(56,469)
Total Nonoperating Revenues (Expenses)	<u>(2,557)</u>	<u>-</u>	<u>(2,557)</u>
<b>Net Change in Net Position</b>	9,486	-	9,486
TOTAL NET POSITION - Beginning	<u>37,507</u>	<u>-</u>	<u>37,507</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 46,993</u>	<u>\$ -</u>	<u>\$ 46,993</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, 2015

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### **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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, 2015

---

### 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 BID was created under the provisions of Wisconsin Statute Section 66.1109. The BID, 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 BID. The BID 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.K. As a component unit, the BID’s financial statements are shown as one discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2015. Separate financial statements may be obtained from the BID’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.K. 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, 2015. Separate financial statements of the Neenah Community Development Authority are not issued.

#### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

##### ***Government-Wide Financial Statements***

In June 2012, the GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

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, 2015

---

### 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 is 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 City 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 balance, 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.

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 (state grants) or committed (lease payments, miscellaneous income) 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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### 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 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
- TIF District No. 9
- TIF District No. 10
- 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

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
- TIF District No. 7
- TIF District No. 8
- TIF District No. 9
- TIF District No. 10
- Redevelopment
- Facilities
- Capital Equipment
- Equipment Replacement

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### **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 nonmajor governmental and enterprise funds: (cont.)

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

#### ***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 deferred inflows. 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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

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

---

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

##### ***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 deferred inflows. 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 requirements) 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, 2015, 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.

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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

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

---

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

##### ***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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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.

#### **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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### 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.)***

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.

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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### 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.)

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, 2015, 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.

##### ***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 – 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	March 31, 2016
Third installment due	May 31, 2016
Fourth installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale – 2015 delinquent real estate taxes	October 2018

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### 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.)**

###### *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.

###### *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, committed, or assigned fund balance account, if the funds will ultimately be restricted, committed, or assigned when the advance is repaid.

###### *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 \$62,965 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 Administration to the amount of program income from economic development loans that it may retain and loan to other businesses and the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

At December 31, 2015, the City has not exceeded the maximum amount of program income that it may retain or the amount of time established for which funds may be held without use. When it does, a liability to the state will be recorded.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### 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.)***

##### ***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 (consumption method), 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.

##### ***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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### 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 (cont.)**

###### **Government –Wide Statements (cont.)**

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.

##### **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. Land Held for Resale**

Land held for resale consists of land and improvements and is valued at cost of acquisition, demolition, and site improvements. Properties include both land intended for resale and land designated as a public area. Land held for resale is recorded at lower of cost or market value.

##### **8. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance 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 arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the 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 financial statements.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

##### **9. 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 March 1, 2014.

###### *Stormwater Utility*

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

##### **10. 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, 2015 are determined on the basis of current salary rates and include salary related payments.

##### **11. 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 amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### 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.)**

**11. Long-Term Obligations/Conduit Debt (cont.)**

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. Nine 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.

**12. Deferred Inflows of Resources**

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

**13. 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.”

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	\$ 82,609,149	\$ 48,640,340	\$ (988,203)	\$ 130,261,286
Unrestricted (deficit)	(6,549,356)	12,437,647	988,203	6,876,494

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

##### ***13. Equity Classifications (cont.)***

###### ***Fund Statements***

Governmental fund balances are 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 do not meet the criteria to be classified as restricted or committed. The City has, by resolution, adopted a financial policy authorizing the Common Council to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- 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.

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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 \$69,903,522 difference in liabilities are as follows:

Bonds and notes payable	\$ 38,275,947
Capital lease obligations	22,090,611
Compensated absences	1,509,688
Accrued interest	524,229*
Unamortized debt premiums	378,086
Unamortized loss on advance refunding	(197,088)
Other post-employment benefits	<u>322,049</u>
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$ 62,903,522</u>

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

**NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

A budget has been adopted for the general fund, all special revenue funds, excluding TIF District No. 9 and No. 10, Health Grants, Clock Tower Renovations and Walnut funds, debt service fund, and all capital project funds. Therefore, budgetary 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, 2015.

	Excess
Special Revenue - TIF District No. 5	\$ 83,403
Special Revenue - TIF District No. 6	262,824
Special Revenue - TIF District No. 7	1,479,354
Special Revenue - TIF District No. 8	338,646
Special Revenue - Recycling	11,728
Debt Service	602,553
Capital Projects - Redevelopment	67,998
Capital Projects - Public Infrastructure	33,716

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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### **C. DEFICIT BALANCES**

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

As of December 31, 2015, the following nonmajor individual funds held a deficit balance:

Fund	Amount	Reason
Special Revenue Funds		
TIF District No. 5	\$ 457,575	Costs exceed accumulated increments
TIF District No. 6	1,707,692	Costs exceed accumulated increments
TIF District No. 9	31,185	Costs exceed accumulated increments
Internal Service Fund		
Benefit Accrual	333,227	Costs exceed accumulated revenues

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. TIF District Nos. 5, 6 and 8 have been designated as distressed and can collect increment for an additional 10 years past the original life. Other fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

#### **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, 2015:

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	01/01/2016
Automobile	10,000,000	01/01/2016
<i>Local Government Property Insurance Fund</i>		
Property (entire city)	137,274,641	04/04/2016

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

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### **E. BOND COVENANT DISCLOSURE (cont.)**

##### **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	\$ 7,986,324	\$ 1,720,630
Investment income	22,817	6,633
Miscellaneous non-operating income	14,377	-
Less: Operation and maintenance expenses	(2,995,535)	(783,052)
Net Defined Earnings	\$ 5,027,983	\$ 944,211
Minimum Required Earnings per Resolution:		
Debt service	\$ 2,772,009	\$ 32,995
Coverage factor	1.25	1.1
Minimum Required Earnings	\$ 3,465,011	\$ 36,295

##### **Number of Customers and Billed Volumes – Water Utility**

The water utility has the following number of customers and billed volumes for 2015.

	Customers	Sales (000 gals)
	2015	2015
Residential	9,590	401,381
Commercial	742	195,014
Industrial	91	193,248
Public authority	56	26,689
Totals	10,479	816,332

##### **Utility Budget**

The 2015 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, 2015

#### 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	\$ 23,273,732	\$ 23,552,307	Custodial credit
Money markets	2,467,642	2,467,637	Custodial credit
U.S. agencies implicitly guaranteed	3,313,567	3,313,567	Custodial credit, credit, interest rate and highly sensitive to interest rate changes
U.S. agencies explicitly guaranteed	1,009,947	1,009,947	Custodial credit, interest rate and highly sensitive to interest rate changes
U.S. treasuries	3,113,716	3,113,716	Custodial credit and interest rate
Corporate bonds and notes	5,048,043	5,048,043	Custodial credit, credit, and interest rate
Common stock	463,779	463,779	Custodial credit
State and local bonds	3,419,010	3,419,010	Custodial credit, credit and interest rate
Repurchase agreements	34,697	34,697	Custodial credit, credit and interest rate
LGIP	5,598,653	5,598,653	Credit
Mutual funds	687,823	687,823	Credit and interest rate
Total Cash and Investments	\$ 48,430,609	\$ 48,709,179	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 23,987,213		
Restricted cash and investments	2,454,570		
Per statement of assets and liabilities			
– Agency Funds	21,988,826		
Total Cash and Investments	\$ 48,430,609		

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, 2015

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

#### A. DEPOSITS AND INVESTMENTS (cont.)

The City maintains a collateral agreement with Associated Bank.

##### **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, 2015, \$17,901 of the City's total bank balances of \$26,019,944 were uninsured and uncollateralized and therefore 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, 2015, \$5,173,976 of the City's investments were neither insured nor registered and held by counterparty, and therefore, 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, 2015, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor Service
<b>U.S. Agencies Implicitly Guaranteed</b>		
Federal Home Loan Bank	AA+	Aaa
Federal Home Loan Mortgage Corporation	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa
<b>Corporate Bonds and Notes</b>		
Korea Finance Corporation	AA-	Aa3
Nexen Incorporated	AA-	Aa3
Commonwealth Bank	AA-	Not available
Toyota Mtr Credit Corporation	AA-	Aa3
Microsoft Corporation	AAA	Aaa
Coca Cola Corporation	AA-	Aa3
General Electric Corporation	AA+	A1
Westpac Bank	AA-	Aa2
Apple Inc.	AA+	Aa1
Bank of Nova Scotia	Not available	Aa2e
IBM Corporation Bullet	AA-	Aa3
PNC Bank	A	A2
General Electric Corporation Floater	AA+	Not available
Disney Corporation	A	A2

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### **Credit Risk** (cont.)

Investment Type	Standard & Poor's	Moody's Investor Service
<b>State and Local Bonds</b>		
State of Wisconsin	AA-	Aa3
State of Wisconsin - Department of Transportation	AA+	Aa2
Oklahoma City Tax	AAA	Aaa
Oak Creek, WI	Not available	Aa2
Monona, WI City Tax	AA+	Not available
New York State Tax	AAA	Aa1
Tacoma, WA City Tax	AA+	A1
Brooklyn Center, MN	AA	Not available
State of Georgia	AAA	Aaa
Verona Schools	Not available	Aa2
<b>Repurchase Agreements</b>		
Associated Bank	Not available	Not available
<b>Mutual Funds</b>		
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

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, 2015, the City's investments were as follows:

Specific Investment	Maturity Date	Fair Value
<b>Mutual Funds</b>		
Templeton Institutional Fds Inc Foreign	Not applicable	\$ 35,625
Vanguard Extended Market Index Fd Invest	Not applicable	73,588
Vanguard Index TR 500 Admiral Shs	Not applicable	578,610
Sub-Total – Mutual Funds		<u>687,823</u>
<b>Repurchase Agreements</b>		
Associated Bank	Not applicable	<u>34,697</u>
Total		<u>\$ 722,520</u>

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

##### A. DEPOSITS AND INVESTMENTS (cont.)

###### *Interest Rate Risk* (cont.)

Investment Type	Fair Value	1-5 Years	5-30 Years
U.S. Agencies Implicitly Guaranteed	\$ 3,313,567	\$ 60,953	\$ 3,252,614
U.S. Agencies Explicitly Guaranteed	1,009,947	133,436	876,511
U.S. Treasuries	3,113,716	2,955,385	158,331
Corporate Bonds and Notes	5,048,043	4,796,438	251,605
State and Local Bonds	3,419,010	1,881,681	1,537,329
Totals	<u>\$ 15,904,283</u>	<u>\$ 9,827,893</u>	<u>\$ 6,076,390</u>

###### *Investments Highly Sensitive to Interest Rate Changes*

At December 31, 2015, \$4,116,833 of the \$15,904,283 reported above had maturity dates beyond ten years classifying them as highly sensitive to interest rate changes.

##### B. RECEIVABLES

All receivable balances are expected to be collected within one year with the exception of \$143,180 in delinquent personal property taxes; \$697,015 in special assessments; and \$566,697 of loans receivable.

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	\$ -	\$ 20,778,551
Special assessments/special charges not yet due	321,647	-
Unearned revenue: pet licenses, rent	-	27,481
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 321,647</u>	<u>\$ 20,806,032</u>

On the statement of net position, \$15,969 of unearned revenue is reported from the internal service funds for total unearned revenue of \$20,822,001.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **C. RESTRICTED ASSETS**

The following represent the balances of the 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 as required by the bond resolution.
- Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.

##### ***Net Pension Asset***

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2015:

	<u>2015</u>
Restricted Assets	
Redemption account	\$ 1,081,657
Depreciation account	250,000
Reserve account	1,122,913
Net pension asset	3,113,501
Interest receivable	<u>6,565</u>
Total Restricted Assets	<u>\$ 5,574,636</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 12,748,936	\$ 121,297	\$ -	\$ 12,870,233
Right-of-ways	13,112,194	-	-	13,112,194
Land improvements <sup>(1)</sup>	10,326,161	49,963	22,050	10,354,074
Construction in progress	41,262	64,467	105,729	-
Total Capital Assets Not Being Depreciated	36,228,553	235,727	127,779	36,336,501
Capital assets being depreciated				
Improvements	11,743,772	42,721	-	11,786,493
Buildings	35,722,707	204,718	-	35,927,425
Equipment, furniture and fixtures	13,207,193	950,124	707,758	13,449,559
Collections (library)	3,682,882	308,417	309,275	3,682,024
Streets	53,748,265	949,299	418,956	54,278,608
Bridges	20,010,198	100,846	-	20,111,044
Street lighting	908,991	34,560	24,264	919,287
Traffic signals	1,202,987	66,344	24,000	1,245,331
Sidewalks	5,739,375	-	-	5,739,375
Trails	684,893	91,149	-	776,042
Retaining walls	1,305,001	-	-	1,305,001
Steam tunnel	390,374	-	-	390,374
Total Capital Assets Being Depreciated	148,346,638	2,748,178	1,484,253	149,610,563
Less: Accumulated depreciation for				
Improvements	(4,694,454)	(161,153)	-	(4,855,607)
Buildings	(12,486,862)	(1,568,414)	-	(14,055,276)
Equipment, furniture and fixtures	(8,186,376)	(476,523)	707,758	(7,955,141)
Collections (library)	(3,297,130)	(333,031)	309,275	(3,320,886)
Streets <sup>(2)</sup>	(19,675,412)	(1,085,572)	441,006	(20,319,978)
Bridges	(3,124,454)	(288,433)	-	(3,412,887)
Street lighting	(157,827)	(12,120)	3,033	(166,914)
Traffic signals	(257,122)	(16,807)	10,693	(263,236)
Sidewalks	(3,350,391)	(114,788)	-	(3,465,179)
Trails	(203,529)	(19,401)	-	(222,930)
Retaining walls	(104,400)	(26,100)	-	(130,500)
Steam tunnel	(48,796)	(9,759)	-	(58,555)
Total Accumulated Depreciation	(55,586,753)	(4,112,101)	1,471,765	(58,227,089)
Capital Assets, Net of Depreciation	\$ 128,988,438			\$ 127,719,975

<sup>(1)</sup> This represents the nondepreciable portion of City streets.

<sup>(2)</sup> The accumulated depreciation deleted for 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, 2015

**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	\$ 637,235
Public safety	372,848
Public works, which includes the depreciation of infrastructure	1,981,897
Parks, recreation, and education	<u>1,120,121</u>
<b>Total Governmental Activities Depreciation Expense</b>	<b><u>\$ 4,112,101</u></b>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Water Utility</u>				
Capital assets not being depreciated				
Land and land rights	\$ 122,180	\$ -	\$ -	\$ 122,180
Construction in progress	<u>-</u>	<u>464,361</u>	<u>464,361</u>	<u>-</u>
<b>Total Capital Assets Not Being     Depreciated</b>	<u>122,180</u>	<u>464,361</u>	<u>464,361</u>	<u>122,180</u>
Capital assets being depreciated				
Source of supply	130,978	-	-	130,978
Pumping	3,384,153	-	-	3,384,153
Treatment	23,853,085	3,960	2,494	23,854,551
Transmission and distribution	30,635,934	499,832	154,186	30,981,580
Administrative and general assets	<u>2,116,484</u>	<u>22,802</u>	<u>855</u>	<u>2,138,431</u>
<b>Total Capital Assets     Being Depreciated</b>	<u>60,120,634</u>	<u>526,594</u>	<u>157,535</u>	<u>60,489,693</u>
Less: Accumulated depreciation for				
Source of supply	(130,978)	-	-	(130,978)
Pumping	(1,077,866)	(107,731)	-	(1,185,597)
Treatment	(7,603,099)	(807,924)	2,494	(8,408,529)
Transmission and distribution	(4,395,020)	(611,608)	154,186	(4,852,442)
Administrative and general assets	<u>(1,573,106)</u>	<u>(168,429)</u>	<u>855</u>	<u>(1,740,680)</u>
<b>Total Accumulated     Depreciation</b>	<u>(14,780,069)</u>	<u>(1,695,692)</u>	<u>157,535</u>	<u>(16,318,226)</u>
<b>Capital Assets, Net of     Depreciation</b>	<b><u>\$ 45,462,745</u></b>			<b><u>\$ 44,293,647</u></b>

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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	\$ 25,032,050	\$ 213,327	\$ 18,445	\$ 25,226,932
Collection system pumping	842,908	18,456	1,200	860,164
Flow meters	11,315	-	-	11,315
Computer software	10,359	-	-	10,359
Total Capital Assets				
Being Depreciated	<u>25,896,632</u>	<u>231,783</u>	<u>19,645</u>	<u>26,108,770</u>
Less: Accumulated depreciation for				
Collection system	(8,679,074)	(353,138)	18,445	(9,013,767)
Collection system pumping	(305,228)	(10,627)	1,200	(314,655)
Flow meters	(1,697)	(1,131)	-	(2,828)
Computer software	(10,359)	-	-	(10,359)
Total Accumulated Depreciation	<u>(8,996,358)</u>	<u>(364,896)</u>	<u>19,645</u>	<u>(9,341,609)</u>
Capital Assets, Net of Depreciation	<u>\$ 16,900,274</u>			<u>\$ 16,767,161</u>
<u>Stormwater Utility</u>				
Capital assets not being depreciated				
Detention ponds	\$ 3,400,156	\$ 21,248	\$ -	\$ 3,421,404
Capital assets being depreciated				
Collection system	13,695,637	124,655	2,596	13,817,696
Detention basins	4,007,575	7,275	929	4,013,921
Detention pond equipment	113,052	-	-	113,052
Computer software	10,359	-	-	10,359
Total Capital Assets				
Being Depreciated	<u>17,826,623</u>	<u>131,930</u>	<u>3,525</u>	<u>17,955,028</u>
Less: Accumulated depreciation for				
Collection system	(4,123,467)	(171,958)	2,596	(4,292,829)
Detention basins	(1,729,572)	(50,134)	929	(1,778,777)
Detention pond equipment	(114,251)	-	1,199	(113,052)
Computer software	(10,359)	-	-	(10,359)
Total Accumulated Depreciation	<u>(5,977,649)</u>	<u>(222,092)</u>	<u>4,724</u>	<u>(6,195,017)</u>
Capital Assets, Net of Depreciation	<u>\$ 15,249,130</u>			<u>\$ 15,181,415</u>

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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	(61,650)	(728)	-	(62,378)
Total Accumulated Depreciation	(88,367)	(728)	-	(89,095)
Capital Assets, Net of Depreciation	\$ 171,009			\$ 170,281
Total Business-type Activities	\$ 77,783,158			\$ 76,412,504

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 1,573,076
Sewerage disposal	364,896
Stormwater	220,893
Parking	728
Total Business-type Activities Depreciation Expense	\$ 2,159,593

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, 2015

**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	\$ 1,058,024
Enterprise fund – sewerage disposal utility	General	50,709
Enterprise fund – stormwater utility	General	279
Enterprise fund – water utility	General	69
Capital projects – public infrastructure	Debt service	<u>164,000</u>
Sub-Total – Fund Financial Statements		1,273,081
Less: Elimination to government-wide statements		<u>(266,114)</u>
Total – Government-Wide Financial Statements		<u>\$ 1,006,967</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 1,058,024
Less: Business-type activities	Governmental activities	<u>(51,057)</u>
Total Internal Balances – Government-Wide Financial Statements		<u>\$ 1,006,967</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 \$1,058,024 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.

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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	Special revenue – TIF District No. 8	100,000	100,000
Special revenue – TIF District No. 7	Special revenue – TIF District No. 6	1,045,000	1,045,000
Debt service	Special revenue – TIF District No. 8	2,600,000	2,600,000
Debt service	Special revenue – TIF District No. 6	1,000,000	1,000,000
Capital projects – TIF District No. 5	Special revenue – TIF District No. 8	222,000	222,000
Capital projects – TIF District No. 10	Special revenue – TIF District No. 8	1,117,170	1,117,170
Special revenue – TIF District No. 5	Special revenue – TIF District No. 8	433,000	433,000
Special revenue – TIF District No. 6	Special revenue – TIF District No. 8	337,000	337,000
Special revenue – TIF District No. 7	Special revenue – TIF District No. 8	641,900	641,900
Capital projects – TIF District No. 9	Special revenue – TIF District No. 9	31,200	31,200
Capital projects – TIF District No. 7	Capital projects – TIF District No. 8	870,890	870,890
Capital projects – TIF District No. 8	Special revenue – TIF District No. 8	340,000	340,000
		<u>9,629,160</u>	<u>\$ 9,629,160</u>
Sub-Totals – Fund Financial Statements			
Less: Eliminations		<u>(9,629,160)</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.

***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
<b>Special Revenue</b>			
TIF District No. 5	General fund	62,429	Administrative and finance costs
TIF District No. 5	Debt service	216,505	Debt service
TIF District No. 6	General fund	47,458	Administrative and finance costs
TIF District No. 6	Debt service	441,223	Debt service
TIF District No. 7	General fund	92,000	Administrative and finance costs
TIF District No. 7	Debt service	2,668,735	Debt service

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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
<b>Special Revenue (cont.)</b>			
TIF District No. 8	General fund	\$ 98,675	Administrative and finance costs
TIF District No. 8	Debt service	956,535	Debt service
TIF District No. 8	Capital projects – TIF District No. 8	340,000	Budgeted transfer
TIF District No. 9	General fund	31,000	Administrative charge
Community development block grant	General fund	11,145	Administrative charge
Community development block grant	Special revenue – parks and rec	7,600	Trestle study
Housing/business loans	General fund	40,000	Administrative charge
Industrial development	General fund	5,000	Operating subsidy as budgeted
Recycling	General fund	22,000	Administrative charge
Other	General fund	7,425	K9 unit funds
Cemetery perpetual care	General fund	9,840	Interest
<b>Enterprise</b>			
Water utility	General fund	1,090,298	PILOT and interest
Sewerage disposal utility	General fund	735,937	2015 expenditures, interest, and administrative costs
Stormwater utility	General fund	382,310	City and public works support overhead
Parking utility	General fund	129,820	Administrative charges
<b>Internal Service</b>			
Benefit accrual	General fund	100,000	Budgeted transfer
Information systems	General fund	65,000	Excess funds
<b>Capital Projects</b>			
Public infrastructure	Capital projects – capital equipment	445,000	Budgeted transfer
Sub-Total – Fund Financial Statements		8,017,935	
Less: Fund Eliminations		<u>(5,679,570)</u>	
Total Transfers – Government-wide Statement of Activities		<u>\$2,338,365</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, 2015

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

#### **F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation debt					
General	\$ 37,821,664	\$ 5,080,000	\$ 5,975,717	\$ 36,925,947	\$ 4,609,835
Note anticipation notes	-	1,350,000	-	1,350,000	-
Premiums	329,973	130,295	82,182	378,086	-
Sub-Totals	<u>38,151,637</u>	<u>6,560,295</u>	<u>6,057,899</u>	<u>38,654,033</u>	<u>4,609,835</u>
Other Liabilities					
Vested compensated absences					
General	1,481,252	398,749	370,313	1,509,688	377,422
Internal service	2,244,421	1,011,016	896,830	2,358,607	1,015,885
Other post-employment benefits					
General	251,907	70,142	-	322,049	-
Internal service	17,451	-	17,451	-	-
Capital leases	22,544,141	-	453,530	22,090,611	463,531
Total Other Liabilities	<u>26,539,172</u>	<u>1,479,907</u>	<u>1,738,124</u>	<u>26,280,955</u>	<u>1,856,838</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 64,690,809</u>	<u>\$ 8,040,202</u>	<u>\$ 7,796,023</u>	<u>\$ 64,934,988</u>	<u>\$ 6,466,673</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation debt					
General	\$ 8,686,334	\$ 1,170,000	\$ 1,337,401	\$ 8,518,933	\$ 1,483,681
Revenue bonds	33,193,999	38,900	3,018,427	30,214,472	2,793,259
Premiums	272,514	25,782	46,695	251,601	-
Sub-Totals	<u>42,152,847</u>	<u>1,234,682</u>	<u>4,402,523</u>	<u>38,985,006</u>	<u>4,276,940</u>
Other Liabilities:					
Vested compensated absences					
General	155,157	10,890	19,968	146,079	22,912
Other post-employment benefits	44,390	8,893	-	53,283	-
Total Other Liabilities	<u>199,547</u>	<u>19,783</u>	<u>19,968</u>	<u>199,362</u>	<u>22,912</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 42,352,394</u>	<u>\$ 1,254,465</u>	<u>\$ 4,422,491</u>	<u>\$ 39,184,368</u>	<u>\$ 4,299,852</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.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of \$96,652,750. Total general obligation debt outstanding at year end was \$45,444,880.

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### *F. LONG-TERM OBLIGATIONS* (cont.)

##### *General Obligation Debt* (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-15
Governmental Activities					
General Obligation Debt					
General Obligation Promissory Notes 2015	05/27/15	03/01/25	2.00 - 2.50%	\$ 5,080,000	\$ 5,080,000
General Obligation Promissory Notes 2014	05/28/14	09/01/24	2.00%	3,230,000	3,120,000
General Obligation Refunding Bonds 2013	03/01/13	03/01/20	2.00 - 3.00%	6,147,826	4,459,133
General Obligation Promissory Notes 2013	06/05/13	03/01/23	1.50 - 2.50%	3,765,000	3,525,000
General Obligation Taxable Refunding Bonds 2013	12/02/13	03/01/24	0.65 - 3.85%	1,030,000	850,000
General Obligation Promissory Notes, Series 2012A	06/27/12	03/01/22	1.25 - 2.00%	2,565,000	2,035,000
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	3,741,814
General Obligation Promissory Notes, Series 2011	01/26/11	09/01/20	1.50 - 2.90%	3,335,000	2,385,000
General Obligation Promissory Notes, Series 2010A	01/26/10	03/01/19	2.00 - 3.50%	1,965,000	1,035,000
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	385,000
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	1,145,000
General Obligation Promissory Notes, Series 2007B	06/01/07	03/01/21	3.875%	2,820,000	580,000
General Obligation Community Development Bonds, Series 2006A	05/17/06	09/01/26	4.25 - 4.75%	7,175,000	455,000
General Obligation Community Development Bonds, Series 2004C	06/01/04	03/01/23	4.00 - 5.00%	2,225,000	<u>1,590,000</u>
Total Governmental Activities – General Obligation Debt					<u>\$ 36,925,947</u>

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Business-type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-15
General Obligation Debt					
General Obligation Promissory Notes 2015	05/27/15	03/01/25	2.00 - 2.50%	\$ 1,170,000	\$ 1,170,000
General Obligation Promissory Note, Series 2014	05/28/14	09/01/24	2.00%	1,455,000	1,330,000
General Obligation Refunding Bonds, Series 2013	03/01/13	09/01/20	2.00 - 3.00%	1,397,174	1,045,865
General Obligation Promissory Note, Series 2013	06/05/13	03/01/20	1.50 - 2.00%	1,505,000	1,235,000
General Obligation Refunding Bonds, Series 2012C	12/03/12	03/01/26	2.00%	223,908	128,188
General Obligation Promissory Note, Series 2012	06/27/12	03/01/22	1.25 – 2.00%	1,390,000	1,005,000
General Obligation Promissory Notes, Series 2011	01/26/11	09/01/20	1.50 - 2.90%	1,660,000	995,000
General Obligation Promissory Notes, Series 2010	01/26/10	03/01/19	2.00 - 3.50%	810,000	390,000
Clean Water Fund General Obligation Debt	05/12/10	05/01/30	2.20%	411,652	324,880
General Obligation Promissory Notes, Series 2009A	06/10/09	03/01/19	2.00 - 4.00%	2,015,000	895,000
Total Business-type Activities General Obligation Debt					<u>\$ 8,518,933</u>

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
2016	\$ 4,609,835	\$ 957,739	\$ 5,567,574	\$ 1,483,681	\$ 184,817	\$ 1,668,498
2017	4,946,298	812,575	5,758,873	1,502,626	145,952	1,648,578
2018	4,999,814	706,277	5,706,091	1,359,526	92,819	1,452,345
2019	4,190,000	499,779	4,689,779	1,114,766	63,388	1,178,154
2020	3,910,000	457,263	4,367,263	800,201	56,934	857,135
2021 – 2025	11,550,000	1,163,431	12,713,431	2,137,867	104,407	2,242,274
2026 – 2030	2,585,000	227,895	2,812,895	120,266	6,731	126,997
2031	135,000	2,227	137,227	-	-	-
Totals	<u>\$ 36,925,947</u>	<u>\$ 4,827,186</u>	<u>\$ 41,753,133</u>	<u>\$ 8,518,933</u>	<u>\$ 655,048</u>	<u>\$ 9,173,981</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### *F. LONG-TERM OBLIGATIONS* (cont.)

##### **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 25% of gross revenues on average. The total principal and interest remaining to be paid on the bonds is \$22,081,953. Principal and interest paid for the current year and total customer gross revenues were \$3,075,992 and \$8,023,519, 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 2015 was \$33,006. Total customer gross revenues as defined for the same period were \$1,727,263. Annual principal and interest payments are expected to require 2% of gross revenues on average.

Revenue debt payable at December 31, 2015 consists of the following:

##### ***Business-type Activities Revenue Debt***

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-15
<u>Water Utility</u>					
Water Utility Revenue Refunding Bonds 2013	12/02/13	12/01/21	2.00-2.50%	\$ 3,545,000	\$ 2,710,000
Water Utility Revenue Advance Refunding Bonds 2012	09/26/12	12/01/21	2.12%	1,350,000	730,000
Water Utility Revenue Bonds 2007	06/01/07	12/01/26	4.00-4.125%	2,345,000	1,505,000
Water Utility Revenue Bonds 2006	01/25/06	05/01/25	2.365%	8,788,354	5,351,226
Water Utility Revenue Bonds 2005	04/27/05	05/01/24	2.365%	16,666,667	8,887,936
Water Utility Revenue Advance Refunding Bonds 2004	11/15/04	12/01/17	2.50-3.90%	4,210,000	555,000

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

**Business-type Activities Revenue Debt (cont.)**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-15</u>
<u>Sewerage Disposal Utility</u>					
Sewer System 2013 Clean Water Fund Loan (1)	02/13/13	05/01/32	2.65%	\$ 10,952,442	\$ 10,102,648
<u>Stormwater Utility</u>					
Stormwater System Revenue Bonds, Series 2009	12/09/09	05/01/29	3.15%	471,087	<u>372,662</u>
Total Business-type Activities Revenue Debt					<u>\$ 30,214,472</u>

- (1) 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.

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>
2016	\$ 2,793,259	\$ 751,034	\$ 3,544,293
2017	2,874,195	679,064	3,553,259
2018	2,661,258	604,566	3,265,824
2019	2,724,475	538,207	3,262,682
2020	2,793,875	471,544	3,265,419
2021 – 2025	11,365,933	1,361,757	12,727,690
2026 – 2030	3,567,407	425,774	3,993,181
2031 – 2032	<u>1,434,070</u>	<u>38,193</u>	<u>1,472,263</u>
Totals	<u>\$ 30,214,472</u>	<u>\$ 4,870,139</u>	<u>\$ 35,084,611</u>

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**F. LONG-TERM OBLIGATIONS (cont.)**

**Note Anticipation Notes**

Note anticipation notes at December 31, 2015, consist of the following:

**Governmental Activities**

<u>Note Anticipation Notes</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-15</u>
Note Anticipation Notes 2015	05/27/15	09/01/17	2.50%	\$ 1,350,000	\$ 1,350,000
Total Governmental Activities Note Anticipation Notes					<u>\$ 1,350,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Note Anticipation Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ -	\$ 42,563
2017	1,350,000	33,750
Totals	<u>\$ 1,350,000</u>	<u>\$ 76,313</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 and Current Refunding**

On May 27, 2015, the City issued \$6,250,000 in general obligation promissory notes with an average coupon rate of 2.00% to advance refund \$1,180,000, as well as current refund \$665,000 of outstanding 2007 and 2005 bonds, respectively, with an average coupon rate of 3.88% and 4.17%, respectively. The remaining proceeds were for city and utility capital projects. A portion of the net proceeds along with existing funds of the City were used to purchase U.S. government securities for the advance refunded debt. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded bonds. As a result, the advance refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. In addition, a portion of the net proceeds along with existing funds of the City were used to prepay the outstanding debt of the current refunded bonds.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **F. LONG-TERM OBLIGATIONS** (cont.)

##### **Advance and Current Refunding** (cont.)

The cash flow requirements on the refunded debt prior to the advance and current refundings were \$2,738,401 from 2015 through 2021. The cash flow requirements on the 2015 refunding bonds are \$2,596,861 from 2016 through 2021. The advance and current refundings resulted in a combined economic gain (difference between the present values of the debt service payments on the old and new debt) of \$64,545.

##### **Prior-Year Defeasance of Debt**

In prior years, the City and CDA defeased certain general obligation and lease revenue bonds, respectively, 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 or CDA's financial statements. At December 31, 2015, \$8,465,000 of City bonds and \$16,190,000 of CDA bonds outstanding are considered defeased.

##### **City bonds:**

<u>Call Date</u>	<u>Amount</u>
03/01/2016	\$ 2,835,000
03/01/2017	1,950,000
03/01/2018	1,800,000
12/01/2018	290,000
03/01/2019	775,000
03/01/2020	815,000

##### **CDA bonds** (see Note K.):

<u>Call Date</u>	<u>Amount</u>
12/01/2017	\$ 415,000
12/01/2018	890,000
12/01/2020	1,885,000
12/01/2023	3,300,000
12/01/2026	4,930,000
12/01/2028	4,770,000

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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**G. LEASE DISCLOSURES**

**Lessee – Capital Leases**

In 2008, the CDA borrowed \$6,285,000 in lease revenue bonds. In 2013, the CDA issued \$17,620,000 to advance refund the 2004 lease revenue bonds. The funds from the 2008 issue 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.K.). The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2015, are as follows:

	Governmental Activities		
	Principal	Interest	Totals
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	1,073,531	768,110	1,841,641
2020	1,148,531	744,010	1,892,541
2021 – 2025	7,742,656	3,094,265	10,836,921
2026 – 2030	8,660,300	1,189,841	9,850,141
2031 – 2032	1,125,000	80,750	1,205,750
Totals	<u>\$ 22,090,611</u>	<u>\$ 8,288,113</u>	<u>\$ 30,378,724</u>

**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, 2015

### 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, 2015 includes the following:

##### **Governmental Activities**

Net investment in capital assets		
Land	\$	12,870,233
Right-of-way		13,112,194
Land improvements		10,354,074
Other capital assets, net of accumulated depreciation		91,383,474
Less: Related long-term debt outstanding, premium and loss on refunding	\$ (48,128,417)	
Add: Unspent debt proceeds	<u>3,017,591</u>	<u>(45,110,826)</u>
Total Net Investment in Capital Assets		<u>82,609,149</u>
Restricted		
Debt service		3,333,011
TIF Districts		2,310,612
Loans		873,935
Grant programs		114,459
Library		1,344,114
Cemetery		1,237,253
Pension		<u>2,847,795</u>
Total Restricted		<u>12,061,179</u>
Unrestricted (deficit)		<u>(6,549,356)</u>
Total Governmental Activities Net Position		<u>\$ 88,120,972</u>

Governmental fund balances reported on the fund financial statements at December 31, 2015 include the following:

##### **Governmental Funds**

###### **Nonspendable**

Major Fund		
General Fund		
Delinquent personal property taxes	\$	143,180
Inventories		1,766
Prepaid items		<u>17,361</u>
Total	\$	<u>162,307</u>

###### **Restricted**

Major Fund		
Debt Service	\$	<u>3,555,016</u>

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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

**Governmental Funds (cont.)**

**Assigned**

Major Funds

General Fund

Library operations	\$ 70,544
Carryforwards	45,057
Applied to 2016 budget	<u>170,600</u>

Total \$ 286,201

Capital Projects – Public Infrastructure

Capital projects \$ 3,664,711

**Unassigned (deficit)**

Major Funds

General Fund

\$ 3,692,608

Special Revenue – TIF District No. 8

\$ (5,789,194)

**Nonmajor Funds – Details of Fund Balance**

Unassigned

(Deficit)

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned (Deficit)</u>
<b>Special Revenue Funds</b>					
TIF District No. 5	\$ -	\$ -	\$ -	\$ -	\$ (457,575)
TIF District No. 6	-	-	-	-	(1,707,692)
TIF District No. 7	-	1,687,558	-	-	-
TIF District No. 9	-	-	-	-	(31,185)
TIF District No. 10	-	1,148	-	-	-
Community Development Block Grant	-	1,833	-	-	-
Housing/business loans	-	872,102	-	-	-
Industrial development	-	-	54,402	-	-
Recycling	-	-	169,884	-	-
Health grants	-	114,459	-	-	-
Parks and recreation	-	-	363,747	-	-
Dial-A-Ride	-	-	61,254	-	-
Civic and social	-	-	143,735	-	-
Library	2,211	1,341,903	-	-	-
Clock tower renovations	-	25	-	-	-
Other	-	-	132,920	-	-
Cemetery perpetual care	-	1,237,253	-	-	-
Cemetery flowers	-	-	171,734	-	-
Walnut	-	-	602	-	-
Sub-Total – Special Revenue Funds	<u>2,211</u>	<u>5,256,281</u>	<u>1,098,278</u>	<u>-</u>	<u>(2,196,452)</u>

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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

**Governmental Funds (cont.)**

<b>Nonmajor Funds – Details of Fund Balance (cont.)</b>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned (Deficit)</u>
<b>Capital Projects Fund</b>					
TIF District No. 5	\$ -	\$ 222,664	\$ -	\$ -	\$ -
TIF District No. 6	-	94,539	-	-	-
TIF District No. 7	-	1,009,529	-	-	-
TIF District No. 8	-	1,820,104	-	-	-
TIF District No. 9	-	27,249	-	-	-
TIF District No. 10	-	1,214,815	-	-	-
Redevelopment	-	-	-	33,903	-
Facilities	-	-	-	296,099	-
Capital equipment	-	-	-	632,413	-
Equipment replacement	-	-	-	164,823	-
Sub-Total – Capital Projects Funds	<u>-</u>	<u>4,388,900</u>	<u>-</u>	<u>1,127,238</u>	<u>-</u>
Totals	<u>\$ 2,211</u>	<u>\$ 9,645,181</u>	<u>\$ 1,098,278</u>	<u>\$ 1,127,238</u>	<u>\$ (2,196,452)</u>

Nonspendable for:

Prepaid items \$ 2,211

**I. BUSINESS-TYPE ACTIVITIES/NET POSITION**

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

	<u>Water</u>	<u>Sewerage Disposal Utility</u>	<u>Stormwater Utility</u>	<u>Other Enterprise Funds</u>
Plant in service	\$ 60,611,873	\$ 26,108,770	\$ 21,376,432	\$ 259,376
Accumulated depreciation	(16,318,226)	(9,341,609)	(6,195,017)	(89,095)
Sub-Totals	<u>44,293,647</u>	<u>16,767,161</u>	<u>15,181,415</u>	<u>170,281</u>
Less: Capital related debt				
Current portion of long-term debt	2,293,373	962,057	543,209	-
Long-term portion of debt	17,445,789	4,837,438	2,548,901	-
Unamortized loss on advance refunding	(95,325)	(22,015)	(33,597)	-
Unamortized premiums	122,011	73,209	56,371	-
Sub-Totals	<u>19,765,848</u>	<u>5,850,689</u>	<u>3,114,884</u>	<u>-</u>
Add: Unspent Debt Proceeds				
Reserve from borrowing	<u>959,257</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Investment in Capital Assets	<u>\$ 25,487,056</u>	<u>\$ 10,916,472</u>	<u>\$ 12,066,531</u>	<u>\$ 170,281</u>

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

##### **J. RESTATEMENT OF NET POSITION**

Net position has been restated as a result of the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of the restatement are as follows:

	Governmental Activities	Business-type Activities	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Parking Utility
Net Position – December 31, 2014 (as reported)	\$ 81,210,985	\$ 59,595,528	\$ 30,404,513	\$ 13,539,278	\$ 15,303,122	\$ 348,615
Add: Net pension asset	4,604,604	429,621	299,871	29,718	83,588	16,444
Add: Deferred outflows related to pensions	1,196,484	111,637	77,920	7,724	21,720	4,273
Net Position – December 31, 2014 (as restated)	<u>\$ 87,012,073</u>	<u>\$ 60,136,786</u>	<u>\$ 30,782,304</u>	<u>\$ 13,576,720</u>	<u>\$ 15,408,430</u>	<u>\$ 369,332</u>

##### **K. 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.

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**K. COMPONENT UNITS (cont.)**

**City of Neenah Business Improvement District (cont.)**

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.

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

	Carrying Value	Statement Balance	Associated Risks
Demand deposits	\$ 49,543	\$ 49,543	Custodial credit
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 49,543		

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, 2015

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

**K. 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
<b>Total Capital Assets</b>	<u>25,500</u>	<u>-</u>	<u>14,500</u>	<u>11,000</u>	
Less: Accumulated depreciation for					
Land improvements	(4,950)	(551)	-	(5,501)	
Machinery and equipment	(7,734)	(968)	8,702	-	
<b>Total Accumulated Depreciation</b>	<u>(12,684)</u>	<u>(1,519)</u>	<u>8,702</u>	<u>(5,501)</u>	
<b>Net Capital Assets Being Depreciated</b>	<u>\$ 12,816</u>			<u>\$ 5,499</u>	

**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, 2015

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

**K. 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	\$ 2,331,786	\$ 2,331,786	Custodial credit
Reconciliation to financial statements			
Per statement of net position			
Restricted cash and investments	\$ 2,331,786		

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, 2015, 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, 2015

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

**K. COMPONENT UNITS (cont.)**

**Community Development Authority (cont.)**

c. Long-Term Obligations

	Beginning Balance	Increases	Decreases	Ending Balance
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.	\$ 5,875,000	\$ -	\$ 345,000	\$ 5,530,000
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.	<u>17,455,000</u>	-	<u>165,000</u>	<u>17,290,000</u>
Totals	<u>\$ 23,330,000</u>	<u>\$ -</u>	<u>\$ 510,000</u>	<u>\$ 22,820,000</u>

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
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	1,130,000	768,110	1,898,110
2020	1,205,000	744,010	1,949,010
2021 – 2025	8,025,000	3,094,265	11,119,265
2026 – 2030	8,825,000	1,189,841	10,014,841
2031 – 2032	<u>1,125,000</u>	<u>80,750</u>	<u>1,205,750</u>
Totals	<u>\$ 22,820,000</u>	<u>\$ 8,288,113</u>	<u>\$ 31,108,113</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **K. COMPONENT UNITS** (cont.)

##### **Community Development Authority** (cont.)

#### 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.

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### NOTE V – OTHER INFORMATION

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#### **A. EMPLOYEES' RETIREMENT SYSTEM**

##### **Summary of Significant Accounting Policies**

**Pension.** For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### **General Information About the Pension Plan**

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 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.

**Vesting.** 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.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### **General Information About the Pension Plan** (cont.)

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

**Post-retirement adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective employees 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.

During the reporting period, the WRS recognized \$1,249,171 in contributions from the City.

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

#### **NOTE V – OTHER INFORMATION (cont.)**

##### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

##### ***Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2015, the City reported an asset of \$3,113,501 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the City's proportion was 0.12675709%, which was a decrease of 0.00093415% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City recognized pension expense of \$1,311,086.

At December 31, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 451,361
Net differences between projected and actual earnings on pension plan investments	1,507,707
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,674
Employer contributions subsequent to the measurement date	1,228,134
Totals	\$ 3,225,876

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE V – OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$1,228,134 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources
2016	\$ 488,649
2017	488,649
2018	488,649
2019	488,649
2020	43,146

**Actuarial assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE V – OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Long-term expected return on plan assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's proportionate share of the net pension asset to changes in the discount rate.** The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension asset/(liability)	\$(8,783,722)	\$3,113,501	\$12,509,447

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the City reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

#### **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, 2014 and 2013 were \$14,920 and \$14,920, respectively. Based on the current computation, the total estimated future cost to the City for this plan was approximately \$42,194 as of December 31, 2015, all of which relates to prior service. The estimated remaining period of amortization is two 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**

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 CVMIC, and has numerous cities and villages as members.

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 WMIC.

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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE V – OTHER INFORMATION (cont.)

#### **B. RISK MANAGEMENT** (cont.)

##### **Participation in Public Entity Risk Pool** (cont.)

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.

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, 2015. A total liability of approximately \$44,089 at December 31, 2015 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>
2014	\$ 161,736	\$ 170,280	\$ 128,017	\$ 203,999
2015	203,999	10,372	170,282	44,089

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

#### **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 2015.

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, 2015 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, 2015:

Incurred but not reported claims	<u>\$ 20,000</u>
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Changes in the claims payable follow:

	<u>Balance January 1</u>	<u>Incurred Claims</u>	<u>Claims Paid</u>	<u>Balance December 31</u>
2014	\$ 20,000	\$ 291,309	\$ 291,309	\$ 20,000
2015	20,000	295,016	295,016	20,000

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### **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>2015</u>
Unpaid claims - Beginning of Year	\$ 357,280
Current year claims and changes in estimates	3,243,162
Claim payments	<u>(3,430,459)</u>
Unpaid Claims - End of Year	<u>\$ 169,983</u>

The City discontinued the self-insurance for health coverage as of December 31, 2015.

#### **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.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

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, 2015 aggregated approximately \$4,293,106.

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.

The City has active construction projects as of December 31, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE V – OTHER INFORMATION (cont.)**

**C. COMMITMENTS AND CONTINGENCIES (cont.)**

The City has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor.

Nonmajor funds	<u>\$ 684,855</u>
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***Developer Agreements***

In 2015, the City created TIF District No. 10 and signed an agreement with a developer that requires the developer to pay for specified improvements including the construction of an office building. The City and CDA will transfer the building site to the developer to allow for the construction of the project. The City will provide payments to the developer to assist with developer costs solely from future tax increments from the development area and from the WEDC's Community Development Investment Grant. The City contribution for developer costs shall be limited to a maximum of \$420,000 plus interest. A maximum of 70% of the property tax increment revenue attributable to the development project shall be payable in annual installments. Each year beginning September 1, 2018 and continuing each September 1 thereafter until September 1, 2023, the City will pay to the developer 70% of the tax increment revenue received by the City with respect to the development in that year. No payments will be distributed until the property taxes have been paid on the property.

In 2015, the City created TIF District No. 9 and signed an agreement with a developer that allows for a maximum of \$1,550,000 or 70% of the tax increment revenue attributable to the development project, whichever is less, payable in installments over seven years. No payments will be distributed until the property taxes have been paid on the property. Until the City contribution has been paid in full, or a sum sufficient to pay off the City contribution has been set aside to cover payment of the City contribution, the City shall not close the District prior to the expiration date.

**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, 2015 was as follows:

City	Number of 2015 Citations	Number of Citations Since Inception	% of Total
City of Menasha	1,733	26,996	40.9%
City of Neenah	2,403	39,074	59.1%
Totals	4,136	66,070	100.0%

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### **D. JOINT VENTURES** (cont.)

##### ***Menasha-Neenah Municipal Court*** (cont.)

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, 2015, the court had a deficit of \$14,702. The allocation of this deficit is as follows:

City of Menasha	\$ 6,160
City of Neenah	<u>8,542</u>
Total	<u>\$ 14,702</u>

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

Financial information of the court as of December 31, 2015 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 – 40.40% and City of Neenah – 59.60%.

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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### **D. JOINT VENTURES** (cont.)

##### **Neenah-Menasha Fire Rescue** (cont.)

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, 2015 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.

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 excess) 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	\$	104,720
Interest on net OPEB obligation		12,002
Adjustment to annual required contribution		(15,204)
Annual OPEB Cost		<u>101,518</u>
Contributions made		<u>(39,934)</u>
Increase in net OPEB obligation		61,584
Net OPEB Obligation – Beginning of Year		<u>313,748</u>
Net OPEB Obligation – End of Year	\$	<u><u>375,332</u></u>

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

#### **NOTE V – OTHER INFORMATION (cont.)**

##### ***E. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/15	\$ 101,518	39.34%	\$ 375,332
12/31/14	101,351	55.01%	313,748
12/31/13	114,251	48.47%	268,186

The funded status of the plan as of January 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 1,026,865
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,026,865
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 11,857,056
UAAL as a percentage of covered payroll	8.7%

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, 2014. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 5% initially, varying by decrements to an ultimate rate of 5.5% after 13 years. Both rates include a 3% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized using the level percent amortization method. The amortization period at December 31, 2015 was 23 years and it is closed.

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

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V – OTHER INFORMATION (cont.)

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#### **F. SUBSEQUENT EVENTS**

On February 10, 2016 the City issued community development lease revenue refunding bonds in the amount of \$3,500,000 with an interest rate ranging from 0.65 – 2.90%.

On April 6, 2016 the City issued general obligation promissory notes in the amount of \$6,500,000 with an interest rate ranging from 1.00 – 2.00%. These proceeds will be used to fund various capital improvement projects.

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

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

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues an amendment of GASB Statements 67, 68, and 73*

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, 2015

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<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
01/01/14	\$ -	\$ 1,026,865	\$ 1,026,865	0%	\$ 11,857,056	8.7%
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%

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

See independent auditors' report.

**CITY OF NEENAH**

GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>TAXES</b>				
General property tax	\$ 12,807,860	\$ 12,807,860	\$ 12,807,863	\$ 3
Payment in lieu of taxes	12,400	12,400	27,049	14,649
Total Taxes	<u>12,820,260</u>	<u>12,820,260</u>	<u>12,834,912</u>	<u>14,652</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenues	2,202,450	2,202,450	2,198,451	(3,999)
Highway maintenance aids	1,064,830	1,064,830	1,062,870	(1,960)
Police, fire, and library aids	78,280	78,280	76,480	(1,800)
Mass transit aids	278,440	278,440	267,719	(10,721)
Refund of prior year joint fire district payment	25,000	25,000	36,068	11,068
Total Intergovernmental Revenues	<u>3,649,000</u>	<u>3,649,000</u>	<u>3,641,588</u>	<u>(7,412)</u>
<b>LICENSES AND PERMITS</b>				
Licenses				
Liquor and malt beverage	23,000	23,000	23,238	238
Operators	15,000	15,000	15,185	185
Cigarette	3,000	3,000	2,400	(600)
Electrical contractor	-	-	65	65
Furnace	2,500	2,500	1,960	(540)
Dog and cat	13,000	13,000	11,651	(1,349)
Sundry	10,320	10,320	10,154	(166)
Permits				
Building	85,000	85,000	141,494	56,494
Electrical	25,000	25,000	31,147	6,147
Plumbing	21,000	21,000	36,597	15,597
Furnace	22,000	22,000	41,512	19,512
Sundry	22,080	22,080	23,088	1,008
Total Licenses and Permits	<u>241,900</u>	<u>241,900</u>	<u>338,491</u>	<u>96,591</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court fines	123,000	123,000	82,406	(40,594)
Miscellaneous	3,000	3,000	900	(2,100)
Total Fines, Forfeitures and Penalties	<u>126,000</u>	<u>126,000</u>	<u>83,306</u>	<u>(42,694)</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CHARGES FOR SERVICES</b>				
Other				
General government	\$ 734,650	\$ 734,650	\$ 709,958	\$ (24,692)
Public safety	237,800	237,800	264,071	26,271
Highway and street	121,420	121,420	157,868	36,448
Rental of City property	103,150	103,150	106,611	3,461
Public library	783,220	783,220	784,003	783
Cemetery	114,800	114,800	87,985	(26,815)
Park and recreation	539,950	539,950	526,418	(13,532)
Sundry	11,100	11,100	10,985	(115)
Total Other	<u>2,646,090</u>	<u>2,646,090</u>	<u>2,647,899</u>	<u>1,809</u>
Health and Welfare				
Health inspection fees	30,000	30,000	28,580	(1,420)
Total Charges for Services	<u>2,676,090</u>	<u>2,676,090</u>	<u>2,676,479</u>	<u>389</u>
<b>INVESTMENT INCOME AND MISCELLANEOUS</b>				
Investment income	270,000	270,000	365,399	95,399
Unrealized gains/(losses)	-	-	(147,657)	(147,657)
Miscellaneous general revenues	488,450	488,450	361,678	(126,772)
Total Investment Income and Miscellaneous	<u>758,450</u>	<u>758,450</u>	<u>579,420</u>	<u>(179,030)</u>
Total Revenues	<u>20,271,700</u>	<u>20,271,700</u>	<u>20,154,196</u>	<u>(117,504)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In				
TIF District No. 5 fund	62,800	62,800	62,429	(371)
TIF District No. 6 fund	48,000	48,000	47,458	(542)
TIF District No. 7 fund	91,000	91,000	92,000	1,000
TIF District No. 8 fund	104,000	104,000	98,675	(5,325)
TIF District No. 9 fund	30,000	30,000	31,000	1,000
Community development block grant fund	35,000	35,000	11,145	(23,855)
Housing and business loans fund	40,000	40,000	40,000	-
Industrial development fund	5,000	5,000	5,000	-
Recycling fund	22,000	22,000	22,000	-
Other special revenue fund	11,460	11,460	7,425	(4,035)
Cemetery perpetual care fund	20,000	20,000	9,840	(10,160)
Sewer fund	806,840	806,840	735,937	(70,903)
Stormwater fund	378,450	378,450	382,310	3,860
Water utility fund - payment in lieu of tax	1,092,930	1,092,930	1,058,024	(34,906)
Water utility fund	32,270	32,270	32,274	4
Information systems fund	65,000	65,000	65,000	-
Parking utility fund	136,930	136,930	129,820	(7,110)
Benefit accrual fund	100,000	100,000	100,000	-
Total Transfers	<u>3,081,680</u>	<u>3,081,680</u>	<u>2,930,337</u>	<u>(151,343)</u>
Sale of city property	2,100	2,100	118	(1,982)
Total Other Financing Sources	<u>3,083,780</u>	<u>3,083,780</u>	<u>2,930,455</u>	<u>(153,325)</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 23,355,480</u>	<u>\$ 23,355,480</u>	<u>\$ 23,084,651</u>	<u>\$ (270,829)</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, 2015

CURRENT EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Common council	\$ 61,380	\$ 61,380	\$ 62,290	\$ (910)
Mayor's office	186,210	187,330	191,932	(4,602)
Finance	1,085,460	1,101,550	1,005,490	96,060
Municipal buildings	240,760	242,390	279,629	(37,239)
Human resources	203,720	208,500	207,590	910
City attorney	442,130	448,330	430,888	17,442
Total General Government	<u>2,219,660</u>	<u>2,249,480</u>	<u>2,177,819</u>	<u>71,661</u>
<b>PUBLIC SAFETY</b>				
Police Department				
Operations	5,759,180	5,858,040	5,678,366	179,674
Police firing range	23,820	23,820	15,258	8,562
Police school liaison program	258,810	263,340	247,274	16,066
Crossing guards	71,780	71,780	65,033	6,747
Capital outlay	26,140	26,140	6,285	19,855
Community service officers/animal control	59,940	59,940	50,033	9,907
K-9 unit	11,460	11,460	7,425	4,035
Fire Department				
Operations	4,850,000	4,850,000	4,846,099	3,901
Other				
Pension	14,920	14,920	14,920	-
Police and fire commission	7,970	7,970	12,468	(4,498)
Total Public Safety	<u>11,084,020</u>	<u>11,187,410</u>	<u>10,943,161</u>	<u>244,249</u>
<b>PUBLIC WORKS</b>				
Engineering	689,730	701,240	696,552	4,688
Repair of streets	358,610	362,690	427,477	(64,787)
Snow and ice control	536,320	539,660	398,770	140,890
Weed cutting	50,100	50,650	41,528	9,122
Forestry program	175,630	177,860	186,481	(8,621)
Street lighting	582,350	582,430	602,590	(20,160)
Municipal garage	451,070	457,120	458,804	(1,684)
Storm and sanitary sewers and drains	309,230	312,140	300,353	11,787
Refuse collection	665,720	669,250	671,409	(2,159)
Sewer inspection	53,780	53,800	55,887	(2,087)
Traffic control	303,570	309,845	300,176	9,669
Capital outlay	6,650	6,650	2,726	3,924
Sundry	3,750	3,830	5,075	(1,245)
Total Public Works	<u>4,186,510</u>	<u>4,227,165</u>	<u>4,147,828</u>	<u>79,337</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>PARKS, RECREATION AND EDUCATION</b>				
Parks and Recreation				
Administration	\$ 557,190	\$ 565,710	\$ 560,204	\$ 5,506
Adult programs	31,770	31,770	34,172	(2,402)
Youth programs	29,610	29,610	25,643	3,967
Municipal pool and recreation building	266,690	266,690	288,943	(22,253)
Playground programs	84,560	84,560	91,736	(7,176)
Parks	878,240	889,350	862,112	27,238
Forestry	75,780	76,440	68,239	8,201
Other activities	41,910	41,910	40,094	1,816
Total Parks and Recreation	<u>1,965,750</u>	<u>1,986,040</u>	<u>1,971,143</u>	<u>14,897</u>
Library				
Operations	2,039,590	2,039,590	2,038,555	1,035
Total Parks, Recreation and Education	<u>4,005,340</u>	<u>4,025,630</u>	<u>4,009,698</u>	<u>15,932</u>
<b>HEALTH AND WELFARE</b>				
Assistance Program				
Committee on Aging	210	210	-	210
<b>COMMUNITY DEVELOPMENT</b>				
Operations	742,050	757,010	726,078	30,932
Celebrations and commemorations	69,940	70,210	75,692	(5,482)
Housing authority	7,230	7,230	3,352	3,878
Bus subsidy program	365,910	365,910	352,524	13,386
Older adult center	13,950	13,950	13,950	-
Conservation and development	256,910	259,480	242,839	16,641
Total Community Development	<u>1,455,990</u>	<u>1,473,790</u>	<u>1,414,435</u>	<u>59,355</u>
<b>OTHER</b>				
Cemetery operations	242,050	245,270	234,931	10,339
Miscellaneous	232,450	27,070	16,767	10,303
Total Other	<u>474,500</u>	<u>272,340</u>	<u>251,698</u>	<u>20,642</u>
Total Expenditures	<u>23,426,230</u>	<u>23,436,025</u>	<u>22,944,639</u>	<u>491,386</u>
<b>OTHER FINANCING USES</b>				
Transfers Out To				
Dial-A-Ride	12,000	12,000	12,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 23,438,230</u>	<u>\$ 23,448,025</u>	<u>\$ 22,956,639</u>	<u>\$ 491,386</u>

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

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 8 - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 1,318,010	\$ 1,331,392	\$ 13,382
Intergovernmental	201,167	203,210	2,043
Investment income and miscellaneous	5,000	78,545	73,545
Total Revenues	<u>1,524,177</u>	<u>1,613,147</u>	<u>88,970</u>
<b>EXPENDITURES</b>			
Current			
Community development	1,000	9,123	(8,123)
Debt Service			
Principal retirement	-	453,531	(453,531)
Interest and fiscal charges	-	891,181	(891,181)
Total Expenditures	<u>1,000</u>	<u>1,353,835</u>	<u>(1,352,835)</u>
Excess of revenues over expenditures	<u>1,523,177</u>	<u>259,312</u>	<u>(1,263,865)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	162,210	162,210
Premium on debt	-	3,573	3,573
Transfers out	<u>(2,409,399)</u>	<u>(1,395,210)</u>	<u>1,014,189</u>
Total Other Financing Sources (Uses)	<u>(2,409,399)</u>	<u>(1,229,427)</u>	<u>1,179,972</u>
Net Change in Fund Balance	(886,222)	(970,115)	(83,893)
FUND BALANCE (DEFICIT) - Beginning	<u>(4,819,079)</u>	<u>(4,819,079)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (5,705,301)</u>	<u>\$ (5,789,194)</u>	<u>\$ (83,893)</u>

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

**CITY OF NEENAH**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.12675709%	\$ 3,113,501	\$ 13,691,283	22.74%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,228,134	\$ 1,228,134	\$ -	\$ 13,245,015	9.27%

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

## CITY OF NEENAH

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2015

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#### ***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 \$286,201 in the general fund, which includes library operations.

#### ***WISCONSIN RETIREMENT SYSTEM***

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in Assumptions.* There were no changes in assumptions.

See independent auditors' report.

**SUPPLEMENTARY INFORMATION**

**DEBT SERVICE FUND**

**CITY OF NEENAH**

**BALANCE SHEET - DEBT SERVICE FUND**  
As of December 31, 2015

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	Debt Service Fund
<b>ASSETS</b>	
Cash and investments	\$ 937
Receivables	
Taxes	3,402,789
Special assessments	302,584
Advances to other funds	<u>3,600,000</u>
 TOTAL ASSETS	 <u>\$ 7,306,310</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	
Liabilities	
Accounts payable	\$ 70
Due to other funds	<u>164,000</u>
Total Liabilities	<u>164,070</u>
 Deferred Inflows of Resources	
Unearned revenue	3,285,000
Unavailable revenue	<u>302,224</u>
Total Deferred Inflows of Resources	<u>3,587,224</u>
 Fund Balance	
Restricted for debt service	<u>3,555,016</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 7,306,310</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, 2015

	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Taxes	\$ 3,210,000	\$ 3,210,000	\$ -
Intergovernmental	105,415	105,415	-
Special assessments	300,000	255,338	(44,662)
Total Revenues	3,615,415	3,570,753	(44,662)
<b>EXPENDITURES</b>			
Debt Service			
Principal retirement	-	4,795,726	(4,795,726)
Interest and fiscal charges	6,501,845	1,048,818	5,453,027
Total Expenditures	6,501,845	5,844,544	657,301
Deficiency of revenues over expenditures	(2,886,430)	(2,273,791)	612,639
<b>OTHER FINANCING SOURCES (USES)</b>			
Payment to fiscal agent for advance refunding	-	(1,259,854)	(1,259,854)
Premium on debt	10,000	67,511	57,511
Transfers in	2,437,997	4,282,998	1,845,001
Total Other Financing Sources (Uses)	2,447,997	3,090,655	642,658
Net Change in Fund Balance	(438,433)	816,864	1,255,297
FUND BALANCE - Beginning	2,738,152	2,738,152	-
FUND BALANCE - ENDING	\$ 2,299,719	\$ 3,555,016	\$ 1,255,297

**OTHER MAJOR FUNDS**

## 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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 59,477	\$ 59,477
<b>EXPENDITURES</b>			
Capital Outlay	<u>1,746,014</u>	<u>1,334,730</u>	<u>411,284</u>
Deficiency of revenues over expenditures	<u>(1,746,014)</u>	<u>(1,275,253)</u>	<u>470,761</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	1,419,000	1,391,060	(27,940)
Transfers out	<u>-</u>	<u>(445,000)</u>	<u>(445,000)</u>
Total Other Financing Sources (Uses)	<u>1,419,000</u>	<u>946,060</u>	<u>(472,940)</u>
Net Change in Fund Balance	(327,014)	(329,193)	(2,179)
FUND BALANCE - Beginning	<u>3,993,904</u>	<u>3,993,904</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 3,666,890</u>	<u>\$ 3,664,711</u>	<u>\$ (2,179)</u>

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF NEENAH**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2015

						Special Revenue Funds				
						TIF	TIF	TIF	TIF	TIF
						District No. 5	District No. 6	District No. 7	District No. 9	District No. 10
<b>ASSETS</b>										
Cash and investments	\$	425	\$	308	\$	658	\$	15	\$	1,148
Taxes receivable		230,818		715,864		1,943,923		-		-
Loans		-		-		-		-		-
Other receivables		-		-		-		-		-
Due from component unit		-		-		-		-		-
Prepaid items		-		-		-		-		-
Advances to other funds		433,000		337,000		1,686,900		-		-
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>664,243</b>	<b>\$</b>	<b>1,053,172</b>	<b>\$</b>	<b>3,631,481</b>	<b>\$</b>	<b>15</b>	<b>\$</b>	<b>1,148</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable	\$	-	\$	-	\$	-	\$	-	\$	-
Other liabilities		-		-		-		-		-
Advances from other funds		891,000		2,045,000		-		31,200		-
<b>Total Liabilities</b>		<b>891,000</b>		<b>2,045,000</b>		<b>-</b>		<b>31,200</b>		<b>-</b>
<b>Deferred Inflows of Resources</b>										
Unearned revenue		230,818		715,864		1,943,923		-		-
<b>Fund Balances</b>										
<b>Nonspendable:</b>										
Prepaid items		-		-		-		-		-
Restricted		-		-		1,687,558		-		1,148
Committed		-		-		-		-		-
Assigned		-		-		-		-		-
Unassigned (deficit)		(457,575)		(1,707,692)		-		(31,185)		-
<b>Total Fund Balances</b>		<b>(457,575)</b>		<b>(1,707,692)</b>		<b>1,687,558</b>		<b>(31,185)</b>		<b>1,148</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$</b>	<b>664,243</b>	<b>\$</b>	<b>1,053,172</b>	<b>\$</b>	<b>3,631,481</b>	<b>\$</b>	<b>15</b>	<b>\$</b>	<b>1,148</b>

Continued on  
Next Page

Special Revenue Funds						
Community Development Block Grant	Housing/ Business Loans	Industrial Development	Recycling	Health Grants	Parks and Recreation	Dial-A- Ride
\$ 51,233	\$ 305,555	\$ 54,402	\$ 180,149	\$ 114,459	\$ 365,130	\$ 58,067
-	-	-	325,822	-	-	-
-	566,697	-	-	-	-	-
-	7,516	-	-	-	-	6,149
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 51,233</u>	<u>\$ 879,768</u>	<u>\$ 54,402</u>	<u>\$ 505,971</u>	<u>\$ 114,459</u>	<u>\$ 365,130</u>	<u>\$ 64,216</u>
\$ -	\$ 320	\$ -	\$ 7,602	\$ -	\$ 1,383	\$ 2,962
49,400	7,346	-	2,665	-	-	-
-	-	-	-	-	-	-
<u>49,400</u>	<u>7,666</u>	<u>-</u>	<u>10,267</u>	<u>-</u>	<u>1,383</u>	<u>2,962</u>
-	-	-	325,820	-	-	-
-	-	-	-	-	-	-
1,833	872,102	-	-	114,459	-	-
-	-	54,402	169,884	-	363,747	61,254
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,833</u>	<u>872,102</u>	<u>54,402</u>	<u>169,884</u>	<u>114,459</u>	<u>363,747</u>	<u>61,254</u>
<u>\$ 51,233</u>	<u>\$ 879,768</u>	<u>\$ 54,402</u>	<u>\$ 505,971</u>	<u>\$ 114,459</u>	<u>\$ 365,130</u>	<u>\$ 64,216</u>

**CITY OF NEENAH**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
As of December 31, 2015

	Special Revenue Funds				
	Civic and Social	Library	Clock Tower Renovations	Other	Cemetery Perpetual Care
<b>ASSETS</b>					
Cash and investments	\$ 143,756	\$ 1,350,115	\$ 25	\$ 132,920	\$ 1,232,413
Taxes receivable	-	-	-	-	-
Loans	-	-	-	-	-
Other receivables	-	-	-	-	4,840
Due from component unit	-	-	-	-	-
Prepaid items	-	2,211	-	-	-
Advances to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 143,756</b>	<b>\$ 1,352,326</b>	<b>\$ 25</b>	<b>\$ 132,920</b>	<b>\$ 1,237,253</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 21	\$ 8,212	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>21</b>	<b>8,212</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>					
Unearned revenue	-	-	-	-	-
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items	-	2,211	-	-	-
<b>Restricted</b>	-	1,341,903	25	-	1,237,253
<b>Committed</b>	143,735	-	-	132,920	-
<b>Assigned</b>	-	-	-	-	-
<b>Unassigned (deficit)</b>	-	-	-	-	-
<b>Total Fund Balances</b>	<b>143,735</b>	<b>1,344,114</b>	<b>25</b>	<b>132,920</b>	<b>1,237,253</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 143,756</b>	<b>\$ 1,352,326</b>	<b>\$ 25</b>	<b>\$ 132,920</b>	<b>\$ 1,237,253</b>

Continued on  
Next Page

Special Revenue Funds		Capital Projects Funds					
Cemetery Flowers	Walnut	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	TIF District No. 10
\$ 171,734	\$ 612	\$ 664	\$ 94,539	\$ 38,639	\$ 26,123	\$ 33,913	\$ 99,300
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,331,786	-	-
-	-	-	-	-	-	-	-
-	-	222,000	-	970,890	340,000	31,200	1,117,170
<u>\$ 171,734</u>	<u>\$ 612</u>	<u>\$ 222,664</u>	<u>\$ 94,539</u>	<u>\$ 1,009,529</u>	<u>\$ 2,697,909</u>	<u>\$ 65,113</u>	<u>\$ 1,216,470</u>
\$ -	\$ 10	\$ -	\$ -	\$ -	\$ 6,915	\$ 37,864	\$ 1,655
-	-	-	-	-	-	-	-
-	-	-	-	-	870,890	-	-
-	10	-	-	-	877,805	37,864	1,655
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	222,664	94,539	1,009,529	1,820,104	27,249	1,214,815
171,734	602	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>171,734</u>	<u>602</u>	<u>222,664</u>	<u>94,539</u>	<u>1,009,529</u>	<u>1,820,104</u>	<u>27,249</u>	<u>1,214,815</u>
<u>\$ 171,734</u>	<u>\$ 612</u>	<u>\$ 222,664</u>	<u>\$ 94,539</u>	<u>\$ 1,009,529</u>	<u>\$ 2,697,909</u>	<u>\$ 65,113</u>	<u>\$ 1,216,470</u>

**CITY OF NEENAH**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2015

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Redevelop- ment	Facilities	Capital Equipment	Equipment Replacement	
<b>ASSETS</b>					
Cash and investments	\$ 36,863	\$ 305,593	\$ 723,445	\$ 167,016	\$ 5,689,219
Taxes receivable	-	-	-	-	3,216,427
Loans	-	-	-	-	566,697
Other receivables	-	3,295	8,175	-	29,975
Due from component unit	-	-	-	-	2,331,786
Prepaid items	-	-	-	-	2,211
Advances to other funds	-	-	-	-	5,138,160
<b>TOTAL ASSETS</b>	<b>\$ 36,863</b>	<b>\$ 308,888</b>	<b>\$ 731,620</b>	<b>\$ 167,016</b>	<b>\$ 16,974,475</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 2,960	\$ 12,789	\$ 99,207	\$ 2,193	\$ 184,093
Other liabilities	-	-	-	-	59,411
Advances from other funds	-	-	-	-	3,838,090
Total Liabilities	2,960	12,789	99,207	2,193	4,081,594
Deferred Inflows of Resources					
Unearned revenue	-	-	-	-	3,216,425
Fund Balances					
Nonspendable:					
Prepaid items	-	-	-	-	2,211
Restricted	-	-	-	-	9,645,181
Committed	-	-	-	-	1,098,278
Assigned	33,903	296,099	632,413	164,823	1,127,238
Unassigned (deficit)	-	-	-	-	(2,196,452)
Total Fund Balances	33,903	296,099	632,413	164,823	9,676,456
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 36,863</b>	<b>\$ 308,888</b>	<b>\$ 731,620</b>	<b>\$ 167,016</b>	<b>\$ 16,974,475</b>

**CITY OF NEENAH**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2015

	Special Revenue Funds				
	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 9	TIF District No. 10
<b>REVENUES</b>					
Taxes	\$ 226,958	\$ 720,697	\$ 1,947,834	\$ -	\$ -
Intergovernmental	227,046	22,277	56,031	-	-
Contributions	-	-	-	-	-
Investment income and miscellaneous	37,103	-	2,461	60	1,023
Total Revenues	<u>491,107</u>	<u>742,974</u>	<u>2,006,326</u>	<u>60</u>	<u>1,023</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	-	-	-	-
Recycling	-	-	-	-	-
Parks, recreation, and education	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	4,088	316,955	95,000	1,000	1,000
Conservation and development	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	2,977	2,368	23,768	1,998	17,276
Total Expenditures	<u>7,065</u>	<u>319,323</u>	<u>118,768</u>	<u>2,998</u>	<u>18,276</u>
Excess (deficiency) of revenues over expenditures	<u>484,042</u>	<u>423,651</u>	<u>1,887,558</u>	<u>(2,938)</u>	<u>(17,253)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	82,440	146,645	1,479,700	-	-
Premium on debt	2,036	3,263	32,758	2,753	18,401
Sale of city property	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(278,934)	(488,681)	(2,760,735)	(31,000)	-
Total Other Financing Sources (Uses)	<u>(194,458)</u>	<u>(338,773)</u>	<u>(1,248,277)</u>	<u>(28,247)</u>	<u>18,401</u>
Net Change in Fund Balances	289,584	84,878	639,281	(31,185)	1,148
FUND BALANCES (DEFICIT) - Beginning	<u>(747,159)</u>	<u>(1,792,570)</u>	<u>1,048,277</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (457,575)</u>	<u>\$ (1,707,692)</u>	<u>\$ 1,687,558</u>	<u>\$ (31,185)</u>	<u>\$ 1,148</u>

Special Revenue Funds						
Community Development Block Grant	Housing/ Business Loans	Industrial Development	Recycling	Health Grants	Parks and Recreation	Dial-A- Ride
\$ -	\$ -	\$ -	\$ 279,842	\$ -	\$ -	\$ -
90,352	-	25,833	227,668	-	-	32,203
-	-	-	-	-	47,219	8,500
<u>59</u>	<u>8,655</u>	<u>-</u>	<u>15,065</u>	<u>-</u>	<u>458</u>	<u>-</u>
<u>90,411</u>	<u>8,655</u>	<u>25,833</u>	<u>522,575</u>	<u>-</u>	<u>47,677</u>	<u>40,703</u>
-	-	-	-	-	-	-
-	-	-	544,038	-	-	-
-	-	-	-	-	36,940	-
-	-	-	-	-	-	-
69,871	1,437	3,935	-	-	-	34,101
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>69,871</u>	<u>1,437</u>	<u>3,935</u>	<u>544,038</u>	<u>-</u>	<u>36,940</u>	<u>34,101</u>
<u>20,540</u>	<u>7,218</u>	<u>21,898</u>	<u>(21,463)</u>	<u>-</u>	<u>10,737</u>	<u>6,602</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	7,600	12,000
<u>(18,745)</u>	<u>(40,000)</u>	<u>(5,000)</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(18,745)</u>	<u>(40,000)</u>	<u>(5,000)</u>	<u>(22,000)</u>	<u>-</u>	<u>7,600</u>	<u>12,000</u>
1,795	(32,782)	16,898	(43,463)	-	18,337	18,602
<u>38</u>	<u>904,884</u>	<u>37,504</u>	<u>213,347</u>	<u>114,459</u>	<u>345,410</u>	<u>42,652</u>
<u>\$ 1,833</u>	<u>\$ 872,102</u>	<u>\$ 54,402</u>	<u>\$ 169,884</u>	<u>\$ 114,459</u>	<u>\$ 363,747</u>	<u>\$ 61,254</u>

**CITY OF NEENAH**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2015

	Special Revenue Funds				
	Civic and Social	Library	Clock Tower Renovations	Other	Cemetery Perpetual Care
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	23,698	-
Contributions	50,680	52,670	-	1,577	-
Investment income and miscellaneous	143	(5,944)	-	162	(22,282)
Total Revenues	<u>50,823</u>	<u>46,726</u>	<u>-</u>	<u>25,437</u>	<u>(22,282)</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	-	-	19,101	-
Recycling	-	-	-	-	-
Parks, recreation, and education	-	48,114	-	-	-
Health and welfare	-	-	-	-	-
Community development	30,075	-	-	-	-
Conservation and development	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>30,075</u>	<u>48,114</u>	<u>-</u>	<u>19,101</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>20,748</u>	<u>(1,388)</u>	<u>-</u>	<u>6,336</u>	<u>(22,282)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sale of city property	13,969	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(7,425)	(9,840)
Total Other Financing Sources (Uses)	<u>13,969</u>	<u>-</u>	<u>-</u>	<u>(7,425)</u>	<u>(9,840)</u>
Net Change in Fund Balances	34,717	(1,388)	-	(1,089)	(32,122)
FUND BALANCES (DEFICIT) - Beginning	<u>109,018</u>	<u>1,345,502</u>	<u>25</u>	<u>134,009</u>	<u>1,269,375</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 143,735</u>	<u>\$ 1,344,114</u>	<u>\$ 25</u>	<u>\$ 132,920</u>	<u>\$ 1,237,253</u>

Special Revenue Funds		Capital Project Funds					
Cemetery Flowers	Walnut	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	TIF District No. 10
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
225	774	-	-	-	-	-	-
<u>225</u>	<u>774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,328	-	-	-	-	-	-	-
-	592	-	-	-	-	-	-
-	-	3,654	2,500	-	-	-	-
-	-	8,507	820	22,684	23,948	97,751	135,185
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,328</u>	<u>592</u>	<u>12,161</u>	<u>3,320</u>	<u>22,684</u>	<u>23,948</u>	<u>97,751</u>	<u>135,185</u>
<u>(3,103)</u>	<u>182</u>	<u>(12,161)</u>	<u>(3,320)</u>	<u>(22,684)</u>	<u>(23,948)</u>	<u>(97,751)</u>	<u>(135,185)</u>
-	-	10,000	1,505	7,500	-	125,000	1,350,000
-	-	-	-	-	-	-	-
-	-	-	-	-	340,000	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>10,000</u>	<u>1,505</u>	<u>7,500</u>	<u>340,000</u>	<u>125,000</u>	<u>1,350,000</u>
(3,103)	182	(2,161)	(1,815)	(15,184)	316,052	27,249	1,214,815
<u>174,837</u>	<u>420</u>	<u>224,825</u>	<u>96,354</u>	<u>1,024,713</u>	<u>1,504,052</u>	<u>-</u>	<u>-</u>
<u>\$ 171,734</u>	<u>\$ 602</u>	<u>\$ 222,664</u>	<u>\$ 94,539</u>	<u>\$ 1,009,529</u>	<u>\$ 1,820,104</u>	<u>\$ 27,249</u>	<u>\$ 1,214,815</u>

**CITY OF NEENAH**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2015

	Capital Project Funds				Total Nonmajor Governmental Funds
	Redevelop- ment	Facilities	Capital Equipment	Equipment Replacement	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,175,331
Intergovernmental	87,595	459,205	-	-	1,251,908
Contributions	-	-	-	-	160,646
Investment income and miscellaneous	-	-	9,959	3,490	51,411
Total Revenues	<u>87,595</u>	<u>459,205</u>	<u>9,959</u>	<u>3,490</u>	<u>4,639,296</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	-	-	-	19,101
Recycling	-	-	-	-	544,038
Parks, recreation, and education	-	-	-	-	85,054
Health and welfare	-	-	-	-	3,328
Community development	-	-	-	-	558,054
Conservation and development	1,312	-	-	-	7,466
Capital Outlay	85,686	517,167	1,437,278	29,225	2,358,251
Debt Service					
Interest and fiscal charges	-	-	-	-	48,387
Total Expenditures	<u>86,998</u>	<u>517,167</u>	<u>1,437,278</u>	<u>29,225</u>	<u>3,623,679</u>
Excess (deficiency) of revenues over expenditures	<u>597</u>	<u>(57,962)</u>	<u>(1,427,319)</u>	<u>(25,735)</u>	<u>1,015,617</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	316,900	1,357,040	-	4,876,730
Premium on debt	-	-	-	-	59,211
Sale of city property	-	-	-	-	13,969
Transfers in	-	-	445,000	-	804,600
Transfers out	-	-	-	-	(3,662,360)
Total Other Financing Sources (Uses)	<u>-</u>	<u>316,900</u>	<u>1,802,040</u>	<u>-</u>	<u>2,092,150</u>
Net Change in Fund Balances	597	258,938	374,721	(25,735)	3,107,767
FUND BALANCES (DEFICIT) - Beginning	<u>33,306</u>	<u>37,161</u>	<u>257,692</u>	<u>190,558</u>	<u>6,568,689</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 33,903</u>	<u>\$ 296,099</u>	<u>\$ 632,413</u>	<u>\$ 164,823</u>	<u>\$ 9,676,456</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 224,677	\$ 226,958	\$ 2,281
Intergovernmental	224,764	227,046	2,282
Investment income and miscellaneous	<u>1,000</u>	<u>37,103</u>	<u>36,103</u>
Total Revenues	<u>450,441</u>	<u>491,107</u>	<u>40,666</u>
<b>EXPENDITURES</b>			
Current			
Community development	-	4,088	(4,088)
Debt Service			
Interest and fiscal charges	<u>1,000</u>	<u>2,977</u>	<u>(1,977)</u>
Total Expenditures	<u>1,000</u>	<u>7,065</u>	<u>(6,065)</u>
Excess of revenues over expenditures	<u>449,441</u>	<u>484,042</u>	<u>34,601</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	82,440	82,440
Premium on debt	-	2,036	2,036
Transfers out	<u>(201,596)</u>	<u>(278,934)</u>	<u>(77,338)</u>
Total Other Financing Sources (Uses)	<u>(201,596)</u>	<u>(194,458)</u>	<u>7,138</u>
Net Change in Fund Balance	247,845	289,584	41,739
FUND BALANCE (DEFICIT) - Beginning	<u>(747,159)</u>	<u>(747,159)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (499,314)</u>	<u>\$ (457,575)</u>	<u>\$ 41,739</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 713,452	\$ 720,697	\$ 7,245
Intergovernmental	22,053	22,277	224
Investment income and miscellaneous	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total Revenues	<u>736,505</u>	<u>742,974</u>	<u>6,469</u>
<b>EXPENDITURES</b>			
Current			
Community development	202,600	316,955	(114,355)
Debt Service			
Interest and fiscal charges	<u>-</u>	<u>2,368</u>	<u>(2,368)</u>
Total Expenditures	<u>202,600</u>	<u>319,323</u>	<u>(116,723)</u>
Excess of revenues over expenditures	<u>533,905</u>	<u>423,651</u>	<u>(110,254)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	146,645	146,645
Premium on debt	-	3,263	3,263
Transfers out	<u>(342,580)</u>	<u>(488,681)</u>	<u>(146,101)</u>
Total Other Financing Sources (Uses)	<u>(342,580)</u>	<u>(338,773)</u>	<u>3,807</u>
Net Change in Fund Balance	191,325	84,878	(106,447)
FUND BALANCE (DEFICIT) - Beginning	<u>(1,792,570)</u>	<u>(1,792,570)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$(1,601,245)</u>	<u>\$(1,707,692)</u>	<u>\$ (106,447)</u>

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 7 - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 1,928,256	\$ 1,947,834	\$ 19,578
Intergovernmental	55,468	56,031	563
Investment income and miscellaneous	<u>1,000</u>	<u>2,461</u>	<u>1,461</u>
Total Revenues	<u>1,984,724</u>	<u>2,006,326</u>	<u>21,602</u>
<b>EXPENDITURES</b>			
Current			
Community development	96,000	95,000	1,000
Debt Service			
Interest and fiscal charges	<u>-</u>	<u>23,768</u>	<u>(23,768)</u>
Total Expenditures	<u>96,000</u>	<u>118,768</u>	<u>(22,768)</u>
Excess of revenues over expenditures	<u>1,888,724</u>	<u>1,887,558</u>	<u>(1,166)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	1,479,700	1,479,700
Premium on debt	-	32,758	32,758
Transfers out	<u>(1,304,149)</u>	<u>(2,760,735)</u>	<u>(1,456,586)</u>
Total Other Financing Sources (Uses)	<u>(1,304,149)</u>	<u>(1,248,277)</u>	<u>55,872</u>
Net Change in Fund Balance	584,575	639,281	54,706
FUND BALANCE - Beginning	<u>1,048,277</u>	<u>1,048,277</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,632,852</u>	<u>\$ 1,687,558</u>	<u>\$ 54,706</u>

## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
COMMUNITY DEVELOPMENT BLOCK GRANT - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 175,000	\$ 90,352	\$ (84,648)
Investment income and miscellaneous	-	59	59
Total Revenues	<u>175,000</u>	<u>90,411</u>	<u>(84,589)</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>175,000</u>	<u>69,871</u>	<u>105,129</u>
Excess of revenues over expenditures	<u>-</u>	<u>20,540</u>	<u>20,540</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>-</u>	<u>(18,745)</u>	<u>(18,745)</u>
Net Change in Fund Balance	-	1,795	1,795
FUND BALANCE - Beginning	<u>38</u>	<u>38</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 38</u>	<u>\$ 1,833</u>	<u>\$ 1,795</u>

## 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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income and miscellaneous	\$ 2,680	\$ 8,655	\$ 5,975
<b>EXPENDITURES</b>			
Current			
Community development	<u>2,700</u>	<u>1,437</u>	<u>1,263</u>
Excess (deficiency) of revenues over expenditures	<u>(20)</u>	<u>7,218</u>	<u>7,238</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	25,000	-	(25,000)
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(40,000)</u>	<u>(25,000)</u>
Net Change in Fund Balance	(15,020)	(32,782)	(17,762)
FUND BALANCE - Beginning	<u>904,884</u>	<u>904,884</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 889,864</u>	<u>\$ 872,102</u>	<u>\$ (17,762)</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, 2015

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 25,750	\$ 25,833	\$ 83
<b>EXPENDITURES</b>			
Current			
Community development	6,500	3,935	2,565
Excess of revenues over expenditures	19,250	21,898	2,648
<b>OTHER FINANCING USES</b>			
Transfers out	(5,000)	(5,000)	-
Net Change in Fund Balance	14,250	16,898	2,648
FUND BALANCE - Beginning	37,504	37,504	-
FUND BALANCE - ENDING	<u>\$ 51,754</u>	<u>\$ 54,402</u>	<u>\$ 2,648</u>

## 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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 280,000	\$ 279,842	\$ (158)
Intergovernmental	217,580	227,668	10,088
Investment income and miscellaneous	<u>10,000</u>	<u>15,065</u>	<u>5,065</u>
Total Revenues	<u>507,580</u>	<u>522,575</u>	<u>14,995</u>
<b>EXPENDITURES</b>			
Current			
Recycling	<u>532,310</u>	<u>544,038</u>	<u>(11,728)</u>
Deficiency of revenues over expenditures	<u>(24,730)</u>	<u>(21,463)</u>	<u>3,267</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(22,000)</u>	<u>(22,000)</u>	<u>-</u>
Net Change in Fund Balance	(46,730)	(43,463)	3,267
FUND BALANCE - Beginning	<u>213,347</u>	<u>213,347</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 166,617</u>	<u>\$ 169,884</u>	<u>\$ 3,267</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Contributions	\$ 40,000	\$ 47,219	\$ 7,219
Investment income and miscellaneous	200	458	258
Total Revenues	<u>40,200</u>	<u>47,677</u>	<u>7,477</u>
<b>EXPENDITURES</b>			
Current			
Parks, recreation, and education	<u>50,000</u>	<u>36,940</u>	<u>13,060</u>
Excess (deficiency) of revenues over expenditures	<u>(9,800)</u>	<u>10,737</u>	<u>20,537</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>-</u>	<u>7,600</u>	<u>7,600</u>
Net Change in Fund Balance	(9,800)	18,337	28,137
FUND BALANCE - Beginning	<u>345,410</u>	<u>345,410</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 335,610</u>	<u>\$ 363,747</u>	<u>\$ 28,137</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, 2015

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 32,203	\$ 32,203
Contributions	<u>50,500</u>	<u>8,500</u>	<u>(42,000)</u>
Total Revenues	<u>50,500</u>	<u>40,703</u>	<u>(9,797)</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>50,000</u>	<u>34,101</u>	<u>15,899</u>
Excess of revenues over expenditures	<u>500</u>	<u>6,602</u>	<u>6,102</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Net Change in Fund Balance	500	18,602	18,102
FUND BALANCE - Beginning	<u>42,652</u>	<u>42,652</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 43,152</u>	<u>\$ 61,254</u>	<u>\$ 18,102</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, 2015

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Contributions	\$ 25,550	\$ 50,680	\$ 25,130
Investment income and miscellaneous	50	143	93
Total Revenues	<u>25,600</u>	<u>50,823</u>	<u>25,223</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>35,000</u>	<u>30,075</u>	<u>4,925</u>
Excess (deficiency) of revenues over expenditures	<u>(9,400)</u>	<u>20,748</u>	<u>30,148</u>
<b>OTHER FINANCING SOURCES</b>			
Sale of city property	<u>14,400</u>	<u>13,969</u>	<u>(431)</u>
Net Change in Fund Balance	5,000	34,717	29,717
FUND BALANCE - Beginning	<u>109,018</u>	<u>109,018</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 114,018</u>	<u>\$ 143,735</u>	<u>\$ 29,717</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Contributions	\$ 30,000	\$ 52,670	\$ 22,670
Investment income and miscellaneous	<u>25,000</u>	<u>(5,944)</u>	<u>(30,944)</u>
Total Revenues	<u>55,000</u>	<u>46,726</u>	<u>(8,274)</u>
<b>EXPENDITURES</b>			
Current			
Parks, recreation, and education	<u>55,000</u>	<u>48,114</u>	<u>6,886</u>
Net Change in Fund Balance	-	(1,388)	(1,388)
FUND BALANCE - Beginning	<u>1,345,502</u>	<u>1,345,502</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,345,502</u>	<u>\$ 1,344,114</u>	<u>\$ (1,388)</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 23,698	\$ 23,698
Contributions	30,000	1,577	(28,423)
Investment income and miscellaneous	100	162	62
<b>Total Revenues</b>	<u>30,100</u>	<u>25,437</u>	<u>(4,663)</u>
<b>EXPENDITURES</b>			
Current			
Public safety	<u>61,063</u>	<u>19,101</u>	<u>41,962</u>
Excess (deficiency) of revenues over expenditures	<u>(30,963)</u>	<u>6,336</u>	<u>37,299</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>-</u>	<u>(7,425)</u>	<u>(7,425)</u>
Net Change in Fund Balance	(30,963)	(1,089)	29,874
FUND BALANCE - Beginning	<u>134,009</u>	<u>134,009</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 103,046</u>	<u>\$ 132,920</u>	<u>\$ 29,874</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income and miscellaneous	\$ 30,000	\$ (22,282)	\$ (52,282)
<b>EXPENDITURES</b>			
	20,000	-	20,000
Excess (deficiency) of revenues over expenditures	10,000	(22,282)	(32,282)
<b>OTHER FINANCING USES</b>			
Transfers out	-	(9,840)	(9,840)
Net Change in Fund Balance	10,000	(32,122)	(42,122)
FUND BALANCE - Beginning	1,269,375	1,269,375	-
FUND BALANCE - ENDING	<u>\$ 1,279,375</u>	<u>\$ 1,237,253</u>	<u>\$ (42,122)</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, 2015

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income and miscellaneous	\$ 150	\$ 225	\$ 75
<b>EXPENDITURES</b>			
Current			
Health and welfare	<u>3,500</u>	<u>3,328</u>	<u>172</u>
Net Change in Fund Balance	(3,350)	(3,103)	247
FUND BALANCE - Beginning	<u>174,837</u>	<u>174,837</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 171,487</u>	<u>\$ 171,734</u>	<u>\$ 247</u>

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 5 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Current			
Conservation and development	-	3,654	(3,654)
Capital Outlay	<u>43,395</u>	<u>8,507</u>	<u>34,888</u>
Total Expenditures	<u>43,395</u>	<u>12,161</u>	<u>31,234</u>
Deficiency of revenues over expenditures	<u>(43,395)</u>	<u>(12,161)</u>	<u>31,234</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	(33,395)	(2,161)	31,234
FUND BALANCE - Beginning	<u>224,825</u>	<u>224,825</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 191,430</u>	<u>\$ 222,664</u>	<u>\$ 31,234</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Current			
Conservation and development	-	2,500	(2,500)
Capital Outlay	<u>8,700</u>	<u>820</u>	<u>7,880</u>
Total Expenditures	<u>8,700</u>	<u>3,320</u>	<u>5,380</u>
Deficiency of revenues over expenditures	<u>(8,700)</u>	<u>(3,320)</u>	<u>5,380</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>8,700</u>	<u>1,505</u>	<u>(7,195)</u>
Net Change in Fund Balance	-	(1,815)	(1,815)
FUND BALANCE - Beginning	<u>96,354</u>	<u>96,354</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 96,354</u></u>	<u><u>\$ 94,539</u></u>	<u><u>\$ (1,815)</u></u>

# CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 7 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2015

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	<u>37,961</u>	<u>22,684</u>	<u>15,277</u>
Deficiency of revenues over expenditures	<u>(37,961)</u>	<u>(22,684)</u>	<u>15,277</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>32,500</u>	<u>7,500</u>	<u>(25,000)</u>
Net Change in Fund Balance	(5,461)	(15,184)	(9,723)
FUND BALANCE - Beginning	<u>1,024,713</u>	<u>1,024,713</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,019,252</u>	<u>\$ 1,009,529</u>	<u>\$ (9,723)</u>

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 8 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	<u>1,090,262</u>	<u>23,948</u>	<u>1,066,314</u>
Total Expenditures	<u>1,090,262</u>	<u>23,948</u>	<u>1,066,314</u>
Deficiency of revenues over expenditures	<u>(1,090,262)</u>	<u>(23,948)</u>	<u>1,066,314</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	10,000	-	(10,000)
Transfers in	<u>-</u>	<u>340,000</u>	<u>340,000</u>
Total Other Financing Sources	<u>10,000</u>	<u>340,000</u>	<u>330,000</u>
Net Change in Fund Balance	(1,080,262)	316,052	1,396,314
FUND BALANCE - Beginning	<u>1,504,052</u>	<u>1,504,052</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 423,790</u>	<u>\$ 1,820,104</u>	<u>\$ 1,396,314</u>

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 9 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	<u>125,000</u>	<u>97,751</u>	<u>27,249</u>
Deficiency of revenues over expenditures	<u>(125,000)</u>	<u>(97,751)</u>	<u>27,249</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Net Change in Fund Balance	-	27,249	27,249
FUND BALANCE - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ 27,249</u>	<u>\$ 27,249</u>

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 10 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	<u>1,365,000</u>	<u>135,185</u>	<u>1,229,815</u>
Deficiency of revenues over expenditures	<u>(1,365,000)</u>	<u>(135,185)</u>	<u>1,229,815</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>1,365,000</u>	<u>1,350,000</u>	<u>(15,000)</u>
Net Change in Fund Balance	-	1,214,815	1,214,815
FUND BALANCE - Beginning	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ 1,214,815</u>	<u>\$ 1,214,815</u>

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
REDEVELOPMENT - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 87,595	\$ 87,595
<b>EXPENDITURES</b>			
Current			
Conservation and development	-	1,312	(1,312)
Capital Outlay	<u>19,000</u>	<u>85,686</u>	<u>(66,686)</u>
Total Expenditures	<u>19,000</u>	<u>86,998</u>	<u>(67,998)</u>
Net Change in Fund Balance	(19,000)	597	19,597
FUND BALANCE - Beginning	<u>33,306</u>	<u>33,306</u>	-
FUND BALANCE - ENDING	<u>\$ 14,306</u>	<u>\$ 33,903</u>	<u>\$ 19,597</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, 2015

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	<u>\$ -</u>	<u>\$ 459,205</u>	<u>\$ 459,205</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>805,606</u>	<u>517,167</u>	<u>288,439</u>
Deficiency of revenues over expenditures	<u>(805,606)</u>	<u>(57,962)</u>	<u>747,644</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>324,300</u>	<u>316,900</u>	<u>(7,400)</u>
Net Change in Fund Balance	<u>(481,306)</u>	<u>258,938</u>	<u>740,244</u>
FUND BALANCE - Beginning	<u>37,161</u>	<u>37,161</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (444,145)</u>	<u>\$ 296,099</u>	<u>\$ 740,244</u>

# CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
CAPITAL EQUIPMENT - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2015

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income and miscellaneous	\$ -	\$ 9,959	\$ 9,959
<b>EXPENDITURES</b>			
Capital Outlay	<u>1,958,583</u>	<u>1,437,278</u>	<u>521,305</u>
Deficiency of revenues over expenditures	<u>(1,958,583)</u>	<u>(1,427,319)</u>	<u>531,264</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	1,357,040	1,357,040	-
Transfers in	<u>-</u>	<u>445,000</u>	<u>445,000</u>
Total Other Financing Sources	<u>1,357,040</u>	<u>1,802,040</u>	<u>445,000</u>
Net Change in Fund Balance	(601,543)	374,721	976,264
FUND BALANCE - Beginning	<u>257,692</u>	<u>257,692</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (343,851)</u>	<u>\$ 632,413</u>	<u>\$ 976,264</u>

# 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, 2015

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income and miscellaneous	<u>\$ -</u>	<u>\$ 3,490</u>	<u>\$ 3,490</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>40,224</u>	<u>29,225</u>	<u>10,999</u>
Deficiency of revenues over expenditures	<u>(40,224)</u>	<u>(25,735)</u>	<u>14,489</u>
Net Change in Fund Balance	(40,224)	(25,735)	14,489
FUND BALANCE - Beginning	<u>190,558</u>	<u>190,558</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 150,334</u>	<u>\$ 164,823</u>	<u>\$ 14,489</u>

**CITY OF NEENAH**

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS  
As of December 31, 2015

	<u>Fleet Management</u>	<u>Benefit Accrual</u>	<u>Insurance</u>	<u>Information Systems</u>	<u>Totals</u>
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 86,314	\$ 2,120,718	\$ 120,312	\$ 23,720	\$ 2,351,064
Accounts receivable	4,948	235,384	-	10,895	251,227
Inventories	204,287	-	-	-	204,287
Prepaid items	-	271,289	-	18,471	289,760
Total Current Assets	<u>295,549</u>	<u>2,627,391</u>	<u>120,312</u>	<u>53,086</u>	<u>3,096,338</u>
Non Current Assets					
Deposit with risk pool	-	-	1,117,155	-	1,117,155
Total Assets	<u>295,549</u>	<u>2,627,391</u>	<u>1,237,467</u>	<u>53,086</u>	<u>4,213,493</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
Current Liabilities					
Accounts payable	17,718	408,635	6,021	9,688	442,062
Claims payable	-	189,983	44,089	-	234,072
Compensated absences payable	-	1,014,854	-	1,031	1,015,885
Total Current Liabilities	<u>17,718</u>	<u>1,613,472</u>	<u>50,110</u>	<u>10,719</u>	<u>1,692,019</u>
Noncurrent Liabilities					
Compensated absences payable	<u>5,815</u>	<u>1,331,177</u>	<u>-</u>	<u>5,730</u>	<u>1,342,722</u>
Total Liabilities	<u>23,533</u>	<u>2,944,649</u>	<u>50,110</u>	<u>16,449</u>	<u>3,034,741</u>
Deferred Inflows of Resources					
Unearned revenue	-	15,969	-	-	15,969
<b>NET POSITION</b>					
Unrestricted (deficit)	<u>272,016</u>	<u>(333,227)</u>	<u>1,187,357</u>	<u>36,637</u>	<u>1,162,783</u>
TOTAL NET POSITION	<u>\$ 272,016</u>	<u>\$ (333,227)</u>	<u>\$ 1,187,357</u>	<u>\$ 36,637</u>	<u>\$ 1,162,783</u>

**CITY OF NEENAH**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION -  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2015

	<u>Fleet Management</u>	<u>Benefit Accrual</u>	<u>Insurance</u>	<u>Information Systems</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 608,146	\$ 7,901,387	\$ 60,000	\$ 780,994	\$ 9,350,527
Total Revenues	<u>608,146</u>	<u>7,901,387</u>	<u>60,000</u>	<u>780,994</u>	<u>9,350,527</u>
<b>OPERATING EXPENSES</b>					
Information technology	-	-	-	688,699	688,699
Retirement system expense	-	3,313,910	-	-	3,313,910
Public works	602,692	-	-	-	602,692
Health claims and other employee benefits	-	4,794,713	-	-	4,794,713
Contractual services	-	-	(22,122)	-	(22,122)
Total Operating Expenses	<u>602,692</u>	<u>8,108,623</u>	<u>(22,122)</u>	<u>688,699</u>	<u>9,377,892</u>
Operating Income (Loss)	5,454	(207,236)	82,122	92,295	(27,365)
Transfers out	-	(100,000)	-	(65,000)	(165,000)
Change in Net Position	5,454	(307,236)	82,122	27,295	(192,365)
TOTAL NET POSITION (DEFICIT) - Beginning	<u>266,562</u>	<u>(25,991)</u>	<u>1,105,235</u>	<u>9,342</u>	<u>1,355,148</u>
TOTAL NET POSITION (DEFICIT) - ENDING	<u>\$ 272,016</u>	<u>\$ (333,227)</u>	<u>\$ 1,187,357</u>	<u>\$ 36,637</u>	<u>\$ 1,162,783</u>

**CITY OF NEENAH**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2015

	Fleet Management	Benefit Accrual	Insurance	Information Systems	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from other funds of the city	\$ 607,474	\$ 7,917,382	\$ 60,000	\$ 780,998	\$ 9,365,854
Paid to suppliers for goods and services	<u>(621,084)</u>	<u>(8,279,023)</u>	<u>(164,341)</u>	<u>(692,281)</u>	<u>(9,756,729)</u>
Net Cash Provided (Used) by Operating Activities	<u>(13,610)</u>	<u>(361,641)</u>	<u>(104,341)</u>	<u>88,717</u>	<u>(390,875)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances for cash deficits	-	2,543,100	-	-	2,543,100
Transfers out	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(65,000)</u>	<u>(165,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>2,443,100</u>	<u>-</u>	<u>(65,000)</u>	<u>2,378,100</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,610)	2,081,459	(104,341)	23,717	1,987,225
CASH AND CASH EQUIVALENTS - Beginning	<u>99,924</u>	<u>39,259</u>	<u>224,653</u>	<u>3</u>	<u>363,839</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 86,314</u>	<u>\$ 2,120,718</u>	<u>\$ 120,312</u>	<u>\$ 23,720</u>	<u>\$ 2,351,064</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 5,454	\$ (207,236)	\$ 82,122	\$ 92,295	\$ (27,365)
Adjustments to operating income (loss) to net cash flows from operating activities:					
Change in assets, liabilities, and deferred inflows:					
Accounts receivable	(672)	(14,308)	-	4	(14,976)
Due from other funds	-	27,970	-	-	27,970
Inventories	(19,747)	-	-	-	(19,747)
Prepaid items	750	(252,335)	-	4,326	(247,259)
Accounts payable	6,952	158,565	(26,553)	2,647	141,611
Claims payable	-	(187,297)	(159,910)	-	(347,207)
Due to other funds	-	-	-	(2,970)	(2,970)
Compensated absences	1,855	110,667	-	1,664	114,186
Other post-employment benefits	(8,202)	-	-	(9,249)	(17,451)
Unearned revenue	<u>-</u>	<u>2,333</u>	<u>-</u>	<u>-</u>	<u>2,333</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (13,610)</u>	<u>\$ (361,641)</u>	<u>\$ (104,341)</u>	<u>\$ 88,717</u>	<u>\$ (390,875)</u>

**NONCASH ACTIVITIES**

None

**CITY OF NEENAH**

COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - ALL AGENCY FUNDS  
As of December 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<b>ADVANCE TAX COLLECTIONS</b>				
<b>Assets</b>				
Cash and investments	\$ 21,072,764	\$ 20,420,569	\$ 21,072,764	\$ 20,420,569
Property taxes receivable	5,942,961	6,572,115	5,942,961	6,572,115
<b>TOTAL ASSETS</b>	<b>\$ 27,015,725</b>	<b>\$ 26,992,684</b>	<b>\$ 27,015,725</b>	<b>\$ 26,992,684</b>
<b>Liabilities</b>				
Accounts payable	\$ 31,087	\$ 20,599	\$ 31,087	\$ 20,599
Accrued liabilities	18,979	-	18,979	-
Due to other governmental units	26,965,659	26,972,085	26,965,659	26,972,085
<b>TOTAL LIABILITIES</b>	<b>\$ 27,015,725</b>	<b>\$ 26,992,684</b>	<b>\$ 27,015,725</b>	<b>\$ 26,992,684</b>
<b>MUNICIPAL COURT</b>				
<b>Assets</b>				
Cash and investments	\$ 194	\$ 107	\$ 194	\$ 107
Accounts receivable	25	93	25	93
Due from other governmental units	258,450	273,152	258,450	273,152
<b>TOTAL ASSETS</b>	<b>\$ 258,669</b>	<b>\$ 273,352</b>	<b>\$ 258,669</b>	<b>\$ 273,352</b>
<b>Liabilities</b>				
Accounts payable	\$ 46,955	\$ 45,876	\$ 46,955	\$ 45,876
Accrued liabilities	1,081	1,303	1,081	1,303
Advances from other governmental units	210,633	226,173	210,633	226,173
<b>TOTAL LIABILITIES</b>	<b>\$ 258,669</b>	<b>\$ 273,352</b>	<b>\$ 258,669</b>	<b>\$ 273,352</b>
<b>NEENAH MENASHA FIRE RESCUE</b>				
<b>Assets</b>				
Cash and investments	\$ 1,718,279	\$ 1,563,117	\$ 1,718,279	\$ 1,563,117
Accounts receivable	6,656	9,266	6,656	9,266
<b>TOTAL ASSETS</b>	<b>\$ 1,724,935</b>	<b>\$ 1,572,383</b>	<b>\$ 1,724,935</b>	<b>\$ 1,572,383</b>
<b>Liabilities</b>				
Accounts payable	\$ 20,771	\$ 56,140	\$ 20,771	\$ 56,140
Accrued liabilities	1,373,023	1,370,045	1,373,023	1,370,045
Due to other governmental units	331,141	146,198	331,141	146,198
<b>TOTAL LIABILITIES</b>	<b>\$ 1,724,935</b>	<b>\$ 1,572,383</b>	<b>\$ 1,724,935</b>	<b>\$ 1,572,383</b>
<b>OTHER</b>				
<b>Assets</b>				
Cash and investments	\$ 5,033	\$ -	\$ -	\$ 5,033
<b>Liabilities</b>				
Accounts payable	\$ 5,033	\$ -	\$ -	\$ 5,033

**CITY OF NEENAH**

COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - ALL AGENCY FUNDS  
As of December 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ 22,796,270	\$ 21,983,793	\$ 22,791,237	\$ 21,988,826
Property taxes receivable	5,942,961	6,572,115	5,942,961	6,572,115
Accounts receivable	6,681	9,359	6,681	9,359
Due from other governmental units	<u>258,450</u>	<u>273,152</u>	<u>258,450</u>	<u>273,152</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 29,004,362</u></b>	<b><u>\$ 28,838,419</u></b>	<b><u>\$ 28,999,329</u></b>	<b><u>\$ 28,843,452</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 103,846	\$ 122,615	\$ 98,813	\$ 127,648
Accrued liabilities	1,393,083	1,371,348	1,393,083	1,371,348
Due to other governmental units	27,296,800	27,118,283	27,296,800	27,118,283
Advances from other governmental units	<u>210,633</u>	<u>226,173</u>	<u>210,633</u>	<u>226,173</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 29,004,362</u></b>	<b><u>\$ 28,838,419</u></b>	<b><u>\$ 28,999,329</u></b>	<b><u>\$ 28,843,452</u></b>

# MENASHA-NEENAH MUNICIPAL COURT

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

For the Year Ended December 31, 2015

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### REVENUES

Court Fines and Penalties	
City of Neenah	\$ 223,621
City of Menasha	<u>184,318</u>
Total Revenues	<u>407,939</u>

### EXPENDITURES

Salaries	75,347
Fringes	27,589
School/Seminars/Training	40
Postage and Printing	1,694
Audit services	1,400
Maintenance of office equipment	527
Telephone	422
Dues and memberships	840
Translator	170
Debit card services	1,190
Office supplies	678
Rental of equipment	643
I/S services	7,710
Software maintenance	5,030
Witness fees	208
Transfers	478
City of Menasha	71,908
State of Wisconsin	103,047
Winnebago County	43,738
City of Neenah	<u>79,982</u>
Total Expenditures	<u>422,641</u>

Expenditures Over (Under) Revenues (14,702)

FUND BALANCE (DEFICIT) - Beginning of Year (258,450)

FUND BALANCE (DEFICIT) - END OF YEAR \$ (273,152)

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, 2015

CASH BALANCE - BEGINNING OF YEAR	\$ 1,718,279
<b>CASH COLLECTIONS</b>	
Fire protection fees	
City of Neenah	5,076,245
City of Menasha	<u>3,311,367</u>
Subtotal	8,387,612
Interest on investments	3,381
Sale of property	<u>6,220</u>
Total Cash Collections	<u>8,397,213</u>
<b>CASH DISBURSEMENTS</b>	
Salaries	4,979,142
Fringes	2,214,615
School/seminars/training	14,533
Dues and memberships	458
Employee recognition awards	1,398
Conferences and meetings	1,354
Clothing allowance	32,410
Postage	676
Insurance	43,875
Office supplies	2,098
Safety and other supplies	7,102
Protective equipment	33,557
All other equipment	57,811
Maintenance of software and hardware	18,407
Maintenance of PPE/SCBA	3,981
Computer hardware and software and printers/copiers	8,052
Electricity	54,835
Natural gas	21,650
Telephone and cell phone	12,523
Utilities	13,442
Outside services	27,365
Professional services	17,683
Gasoline and oil	23,376
Vehicles	463,698
Training	2,039
Equipment maintenance and rental	11,014
Other facility outlay	3,101
Cleaning	10,556
FVTC reimbursements	(8,000)
Finance services	22,850
I/S services	120,430
HR services	35,000
Miscellaneous	<u>8,829</u>
Total Cash Disbursements	<u>8,259,860</u>
Collections over Disbursements	137,353
Reconciling items to account for conversion from modified accrual to cash basis:	
Change in accounts receivable	(2,610)
Change in accounts payable	35,369
Change in accrued liabilities	(2,978)
Change in due to other governments	<u>(322,296)</u>
Total reconciling items	<u>(292,515)</u>
CASH BALANCE - END OF YEAR	<u>1,563,117</u>
Cash assigned for:	
Distribution back to Neenah	
2015 Operating Funds Not Spent	85,785
Distribution back to Menasha	
2015 Operating Funds Not Spent	55,891
Distribution of future benefits	1,365,300
Payment of outstanding vendor invoices	<u>56,141</u>
	<u>\$ 1,563,117</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, 2015

---

***TIF DISTRICT NO. 5 FUND***

<b>TOTAL AUTHORIZATIONS</b>	<b>\$ 7,872,808</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Intergovernmental	\$ 83,745
Special assessments	25,000
Contributions	18,986
Investment income and miscellaneous	877
Long-term debt issued	6,221,700
Transfers in	1,902,871
Sale of city properties	150,000
Total Revenues and Other Financing Sources	<u>\$ 8,403,179</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 8,099,702
Transfers out	80,813
Total Expenditures and Other Financing Uses	<u>\$ 8,180,515</u>
FUND BALANCE - December 31, 2015	<u>\$ 222,664</u>

***TIF DISTRICT NO. 6 FUND***

<b>TOTAL AUTHORIZATIONS</b>	<b>\$ 4,738,836</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Intergovernmental	\$ 72,597
Long-term debt issued	5,807,041
Sales of city properties	216,648
Total Revenues and Other Financing Sources	<u>\$ 6,096,286</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 4,248,771
Transfers out	1,752,976
Total Expenditures and Other Financing Uses	<u>\$ 6,001,747</u>
FUND BALANCE - December 31, 2015	<u>\$ 94,539</u>

**CITY OF NEENAH**

**PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS**  
Beginning of Project to December 31, 2015

---

***TIF DISTRICT NO. 7 FUND***

<b>TOTAL AUTHORIZATIONS</b>	<b><u>\$ 13,385,000</u></b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Intergovernmental	\$ 147,236
Special assessments	58,049
Contributions	2,510
Investment income and miscellaneous	47,693
Long-term debt issued	18,670,900
Sales of city properties	<u>42,678</u>
Total Revenues and Other Financing Sources	<b><u>\$ 18,969,066</u></b>
<b>EXPENDITURES</b>	
Capital improvements	<b><u>\$ 17,959,537</u></b>
FUND BALANCE - December 31, 2015	<b><u>\$ 1,009,529</u></b>

***TIF DISTRICT NO. 8 FUND***

<b>TOTAL AUTHORIZATIONS</b>	<b><u>\$ 35,218,850</u></b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Intergovernmental	\$ 2,506,303
Contributions	336,414
Investment income and miscellaneous	726,258
Capital lease issued	22,475,000
Long-term debt issued	11,760,556
Transfers in	<u>1,013,813</u>
Total Other Financing Sources	<b><u>\$ 38,818,344</u></b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 33,011,221
Transfers out	<u>3,987,019</u>
Total Expenditures and Other Financing Uses	<b><u>\$ 36,998,240</u></b>
FUND BALANCE - December 31, 2015	<b><u>\$ 1,820,104</u></b>

**CITY OF NEENAH**

**PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS**  
Beginning of Project to December 31, 2015

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***TIF DISTRICT NO. 9 FUND***

<b>TOTAL AUTHORIZATIONS</b>	<u>\$ 140,000</u>
<b>OTHER FINANCING SOURCES</b>	
Long-term debt issued	<u>\$ 125,000</u>
<b>EXPENDITURES</b>	
Capital improvements	<u>\$ 97,751</u>
FUND BALANCE - December 31, 2015	<u>\$ 27,249</u>

***TIF DISTRICT NO. 10 FUND***

<b>TOTAL AUTHORIZATIONS</b>	<u>\$ 775,000</u>
<b>OTHER FINANCING SOURCES</b>	
Long-term debt issued	<u>\$ 1,350,000</u>
<b>EXPENDITURES</b>	
Capital improvements	<u>\$ 135,185</u>
FUND BALANCE - December 31, 2015	<u>\$ 1,214,815</u>

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

STATEMENT OF CASH FLOWS  
COMPONENT UNIT  
For the Year Ended December 31, 2015

---

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Principal received on lease receivable from primary government	\$ 453,530
Principal paid on lease revenue bonds	(510,000)
Interest and fiscal charges paid on lease revenue bonds	<u>(889,618)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(946,088)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment income	<u>946,088</u>
Net Cash Flows From Investing Activities	<u>946,088</u>

Net Increase in Cash and Cash Equivalents -

CASH AND CASH EQUIVALENTS - Beginning of Year 2,331,786

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**

None

**CITY OF NEENAH, WISCONSIN**  
**Introduction to the Statistical Section**  
**December 30, 2015**

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**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.	134 – 139
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.	140 – 143
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.	144 – 148
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.	149 – 151
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.	152 – 153

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net investment in capital assets	\$70,582,540	\$74,056,995	\$74,315,573	\$70,310,050	\$70,932,949	\$81,655,241	\$81,646,601	\$81,134,838	\$83,027,527	\$82,609,149
Restricted	2,505,588	2,603,454	3,004,174	2,849,403	2,964,224	3,209,959	4,075,167	4,122,877	7,827,128	12,061,179
Unrestricted (deficit)	3,012,525	1,186,530	(1,530,255)	(1,830,075)	(1,668,489)	(8,326,135)	(7,911,929)	(5,474,461)	(9,643,670)	(6,549,356)
Total governmental activities net position	76,100,653	77,846,979	75,789,492	71,329,378	72,228,684	76,539,066	77,809,839	79,783,254	81,210,985	88,120,972
<b>Business-Type Activities</b>										
Net investment in capital assets	38,807,074	37,125,606	41,011,047	41,028,914	42,233,174	42,668,356	44,548,856	46,259,804	47,296,614	48,640,340
Restricted	1,838,757	1,091,973	1,117,561	1,148,894	1,164,805	1,314,505	1,431,753	1,232,260	1,273,145	1,696,318
Unrestricted	6,049,873	9,768,518	8,852,065	7,678,523	7,083,762	9,291,469	10,063,882	9,984,282	11,025,769	12,437,647
Total business-type activities net position	46,695,704	47,986,097	50,980,673	49,856,331	50,481,741	53,274,330	56,044,491	57,476,346	59,595,528	62,774,305
<b>Primary Government</b>										
Net investment in capital assets	109,389,614	111,182,601	115,326,620	111,338,964	113,166,123	124,323,597	124,804,227	126,159,388	129,212,427	130,261,286
Restricted	4,344,345	3,695,427	4,121,735	3,998,297	4,129,029	4,524,464	5,506,920	5,355,137	9,100,273	13,757,497
Unrestricted	9,062,398	10,955,048	7,321,810	5,848,448	5,415,273	965,334	3,543,183	5,745,075	2,493,813	6,876,494
Total primary government activities net position	\$122,796,357	\$125,833,076	\$126,770,165	\$121,185,709	\$122,710,425	\$129,813,395	\$133,854,330	\$137,259,600	\$140,806,513	\$150,895,277

Schedule 2

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

	Fiscal Year				
	2006	2007	2008	2009	2010
<b>Expenses</b>					
Governmental activities:					
General government	\$2,453,666	\$2,560,879	\$2,710,507	\$2,768,721	\$2,466,994
Public safety	9,059,295	9,419,033	9,921,151	10,127,294	10,700,825
Public works	5,339,989	4,274,646	9,040,838	10,373,160	7,232,170
Recycling	642,005	522,043	507,984	464,957	507,448
Parks, recreation & education	4,132,236	4,221,629	4,198,833	4,294,016	4,444,400
Health & welfare	515,838	535,684	566,283	603,072	566,791
Community development	3,688,789	2,844,927	1,578,516	1,494,557	1,741,830
Interest & fiscal charges	2,351,335	2,625,780	2,628,300	2,710,116	2,607,949
Total Governmental Activities Expenses	<u>28,183,153</u>	<u>27,004,621</u>	<u>31,152,412</u>	<u>32,835,893</u>	<u>30,268,407</u>
Business-type activities:					
Water utility	4,477,894	5,624,870	5,757,901	5,567,109	5,664,153
Sewerage disposal utility	2,102,865	2,292,180	2,456,071	3,112,296	2,834,696
Stormwater utility	732,238	891,969	1,153,855	1,147,804	1,151,825
Other proprietary fund	202,365	201,210	226,243	231,699	192,469
Total Business-type Activities Expenses	<u>7,515,362</u>	<u>9,010,229</u>	<u>9,594,070</u>	<u>10,058,908</u>	<u>9,843,143</u>
Total Primary Government Expenses	<u>\$35,698,515</u>	<u>\$36,014,850</u>	<u>\$40,746,482</u>	<u>\$42,894,801</u>	<u>\$40,111,550</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:	\$2,610,157	\$2,613,505	\$2,729,321	\$2,748,538	\$2,715,534
Operating grants and contributions	987,486	1,512,247	1,612,984	1,482,633	1,488,315
Capital grants and contributions	7,185,492	1,276,468	1,231,811	454,393	1,023,596
Total Governmental Activities Program Revenues	<u>10,783,135</u>	<u>5,402,220</u>	<u>5,574,116</u>	<u>4,685,564</u>	<u>5,227,445</u>
Business-type activities:					
Charges for services:					
Water utility	6,604,585	7,296,332	6,795,104	6,543,242	6,654,836
Sewerage disposal utility	2,076,306	2,132,176	1,805,365	2,336,669	3,076,452
Stormwater utility	1,106,990	1,094,691	1,150,178	1,282,547	1,648,620
Other proprietary fund	205,000	216,370	218,668	177,426	202,106
Total Charges for Services	<u>9,992,881</u>	<u>10,739,569</u>	<u>9,969,315</u>	<u>10,339,884</u>	<u>11,582,014</u>
Operating grants and contributions	4,236	34,760	11,077	-	-
Capital grants and contributions	3,225,923	94,584	2,288,806	455,401	820,333
Total Business-type Activities Program Revenues	<u>13,223,040</u>	<u>10,868,913</u>	<u>12,269,198</u>	<u>10,795,285</u>	<u>12,402,347</u>
Total Primary Government Program Revenues	<u>\$24,006,175</u>	<u>\$16,271,133</u>	<u>\$17,843,314</u>	<u>\$15,480,849</u>	<u>\$17,629,792</u>
<b>Net (Expenses)/Revenue</b>					
Governmental activities	(\$17,400,018)	(\$21,602,401)	(\$25,578,296)	(\$28,150,329)	(\$25,040,962)
Business-type activities	5,707,678	1,858,684	2,675,128	736,377	2,559,204
Total primary government net expense	<u>(\$11,692,340)</u>	<u>(\$19,743,717)</u>	<u>(\$22,903,168)</u>	<u>(\$27,413,952)</u>	<u>(\$22,481,758)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes	\$14,644,289	\$15,595,647	\$16,560,611	\$17,232,207	\$17,782,554
Other taxes	57,874	45,550	43,678	43,321	38,015
Intergovernmental revenues not restricted to specific programs	3,938,413	4,173,838	4,256,243	4,307,713	4,108,302
Public gifts and/or grants	13,263	3,673	6,181	1,900	-
Investment income	1,356,847	1,626,554	625,698	631,389	535,483
Miscellaneous	414,922	525,284	604,963	131,151	594,088
Transfers	1,819,835	1,378,181	1,423,435	2,115,534	2,108,826
Total Governmental Activities	<u>22,245,443</u>	<u>23,348,727</u>	<u>23,520,809</u>	<u>24,463,215</u>	<u>25,167,268</u>
Business-type Activities:					
Other taxes	35,000	148,010	149,760	125,000	75,000
Investment income	443,046	630,033	262,704	66,929	90,897
Gain on sale of capital asset/miscellaneous	7,516	31,847	12,685	62,886	9,135
Transfers	(1,819,835)	(1,378,181)	(1,423,435)	(2,115,534)	(2,108,826)
Total Business-type Activities	<u>(1,334,273)</u>	<u>(568,291)</u>	<u>(998,286)</u>	<u>(1,860,719)</u>	<u>(1,933,794)</u>
Total Primary Government	<u>\$20,911,170</u>	<u>\$22,780,436</u>	<u>\$22,522,523</u>	<u>\$22,602,496</u>	<u>\$23,233,474</u>
<b>Change in Net Position</b>					
Governmental activities	\$4,845,425	\$1,746,326	(\$2,057,487)	(\$3,687,114)	\$126,306
Business-type activities	4,373,405	1,290,393	1,676,842	(1,124,342)	625,410
Total Primary Government Change in Net Position	<u>\$9,218,830</u>	<u>\$3,036,719</u>	<u>(\$380,645)</u>	<u>(\$4,811,456)</u>	<u>\$751,716</u>

Schedule 2

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

Fiscal Year				
2011	2012	2013	2014	2015
\$2,365,644	\$2,362,306	\$2,648,878	\$2,630,760	\$2,570,344
11,334,171	10,970,949	10,522,364	11,754,383	11,031,978
6,444,805	7,491,434	7,785,260	6,956,331	8,195,235
536,598	477,741	510,705	549,003	513,724
4,712,367	4,312,726	3,984,727	4,813,270	4,904,368
592,293	365,020	34,679	10,335	7,345
1,720,365	1,622,521	1,511,981	1,867,479	2,037,299
2,575,218	2,768,349	3,074,953	1,934,432	2,052,080
<u>30,281,461</u>	<u>30,371,046</u>	<u>30,073,547</u>	<u>30,515,993</u>	<u>31,312,373</u>
5,515,427	5,729,773	5,977,085	5,640,643	5,227,739
3,062,907	2,567,948	3,340,100	2,982,985	3,172,687
1,072,497	1,038,419	1,276,294	1,143,761	1,079,751
224,971	218,765	250,744	283,933	260,187
<u>9,875,802</u>	<u>9,554,905</u>	<u>10,844,223</u>	<u>10,051,322</u>	<u>9,740,364</u>
<u>\$40,157,263</u>	<u>\$39,925,951</u>	<u>\$40,917,770</u>	<u>\$40,567,315</u>	<u>\$41,052,737</u>
\$3,072,815	\$3,337,909	\$3,131,765	\$3,134,271	\$3,284,555
900,733	721,953	984,782	1,482,908	907,845
5,341,773	1,773,195	946,701	247,080	824,983
<u>9,315,321</u>	<u>5,833,057</u>	<u>5,063,248</u>	<u>4,864,259</u>	<u>5,017,383</u>
8,798,241	9,143,821	8,343,050	8,000,288	7,986,324
3,778,864	3,669,835	3,999,498	4,127,959	4,319,189
1,676,896	1,680,337	1,693,528	1,690,301	1,720,630
260,162	260,027	290,886	341,840	305,570
14,514,163	14,754,020	14,326,962	14,160,388	14,331,713
-	-	-	63,340	-
238,508	(245,447)	157,112	129,041	322,480
<u>14,752,671</u>	<u>14,508,573</u>	<u>14,484,074</u>	<u>14,352,769</u>	<u>14,654,193</u>
<u>\$24,067,992</u>	<u>\$20,341,630</u>	<u>\$19,547,322</u>	<u>\$19,217,028</u>	<u>\$19,671,576</u>
(\$20,966,140)	(\$24,537,989)	(\$25,010,299)	(\$25,651,734)	(\$26,294,990)
4,876,869	4,953,668	3,639,851	4,301,447	4,913,829
<u>(\$16,089,271)</u>	<u>(\$19,584,321)</u>	<u>(\$21,370,448)</u>	<u>(\$21,350,287)</u>	<u>(\$21,381,161)</u>
\$18,160,266	\$18,706,015	\$19,658,906	\$19,655,740	\$20,244,744
40,008	32,021	11,925	11,741	13,082
3,985,219	3,605,254	3,915,415	3,947,213	3,962,895
-	-	-	-	-
348,909	405,024	226,475	367,437	197,483
544,059	765,047	883,270	841,591	647,320
2,198,060	2,295,402	2,287,723	2,255,743	2,338,365
<u>25,276,521</u>	<u>25,808,763</u>	<u>26,983,714</u>	<u>27,079,465</u>	<u>27,403,889</u>
40,000	71,800	50,000	20,000	20,000
44,819	31,566	26,120	45,315	40,773
28,961	8,529	3,607	8,163	1,282
(2,198,060)	(2,295,402)	(2,287,723)	(2,255,743)	(2,338,365)
<u>(2,084,280)</u>	<u>(2,183,507)</u>	<u>(2,207,996)</u>	<u>(2,182,265)</u>	<u>(2,276,310)</u>
<u>\$23,192,241</u>	<u>\$23,625,256</u>	<u>\$24,775,718</u>	<u>\$24,897,200</u>	<u>\$25,127,579</u>
\$4,310,381	\$1,270,774	\$1,973,415	\$1,427,731	\$1,108,899
2,792,589	2,770,161	1,431,855	2,119,182	2,637,519
<u>\$7,102,970</u>	<u>\$4,040,935</u>	<u>\$3,405,270</u>	<u>\$3,546,913</u>	<u>\$3,746,418</u>

Schedule 3

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
General government	\$706,695	\$661,268	\$672,933	\$719,570	\$686,787	\$729,751	\$739,512	\$729,554	\$773,523	\$786,360
Public safety	476,350	439,285	560,235	498,845	534,162	473,636	470,230	476,169	548,888	425,738
Public works	5,574,677	1,254,155	1,321,599	821,993	658,687	4,901,668	505,609	677,605	304,100	538,767
Recycling	270,833	384,924	502,217	301,868	405,181	254,650	341,024	496,902	477,051	507,510
Parks, recreation & education	2,025,154	1,483,918	1,400,488	1,361,552	1,432,587	1,573,637	1,962,575	1,515,604	1,723,505	2,005,106
Health & welfare	345,270	328,943	338,447	320,447	301,664	366,466	195,917	79,282	67,525	70,320
Community development	1,384,156	849,727	778,197	661,289	1,208,377	1,015,513	1,618,190	1,088,132	969,667	683,582
<b>Total Governmental Activities Program Revenues</b>	<b>10,783,135</b>	<b>5,402,220</b>	<b>5,574,116</b>	<b>4,685,564</b>	<b>5,227,445</b>	<b>9,315,321</b>	<b>5,833,057</b>	<b>5,063,248</b>	<b>4,864,259</b>	<b>5,017,383</b>
<b>Business-type activities:</b>										
Water utility	7,208,770	7,321,225	7,360,675	6,604,807	7,198,503	8,825,597	8,856,374	8,360,827	8,015,556	8,064,463
Sewerage disposal utility	2,627,511	2,145,250	3,150,801	2,348,002	3,077,464	3,778,864	3,709,635	4,137,075	4,240,051	4,518,612
Stormwater utility	3,181,759	1,186,068	1,539,054	1,665,050	1,924,274	1,888,048	1,682,537	1,695,286	1,755,322	1,765,548
Other proprietary fund	205,000	216,370	218,668	177,426	202,106	260,162	260,027	290,886	341,840	305,570
<b>Total Business-type Activities Program Revenues</b>	<b>13,223,040</b>	<b>10,868,913</b>	<b>12,269,198</b>	<b>10,795,285</b>	<b>12,402,347</b>	<b>14,752,671</b>	<b>14,508,573</b>	<b>14,484,074</b>	<b>14,352,769</b>	<b>14,654,193</b>
<b>Total Primary Government Program Revenues</b>	<b>\$24,006,175</b>	<b>\$16,271,133</b>	<b>\$17,843,314</b>	<b>\$15,480,849</b>	<b>\$17,629,792</b>	<b>\$24,067,992</b>	<b>\$20,341,630</b>	<b>\$19,547,322</b>	<b>\$19,217,028</b>	<b>\$19,671,576</b>

Schedule 4

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved	\$95,531	\$95,242	\$220,626	\$100,169	\$89,377	-	-	-	-	-
Unreserved	4,172,178	4,634,255	4,312,719	4,177,445	4,044,338	-	-	-	-	-
Nonspendable	-	-	-	-	-	196,731	213,867	100,257	131,047	162,307
Assigned	-	-	-	-	-	226,579	117,790	74,421	134,959	286,201
Unassigned	-	-	-	-	-	3,290,715	3,621,301	3,782,035	3,747,098	3,692,608
<b>Total General Fund</b>	<b>\$4,267,709</b>	<b>\$4,729,497</b>	<b>\$4,533,345</b>	<b>\$4,277,614</b>	<b>\$4,133,715</b>	<b>\$3,714,025</b>	<b>\$3,952,958</b>	<b>\$3,956,713</b>	<b>\$4,013,104</b>	<b>\$4,141,116</b>
<b>Other Governmental Funds</b>										
Reserved	\$8,680,995	\$9,761,156	\$14,746,175	\$14,547,065	\$9,140,146	-	-	-	-	-
Unreserved:										
Special Revenue Funds	(1,762,743)	(2,967,910)	(3,299,476)	(5,735,291)	(4,260,324)	-	-	-	-	-
Capital Project Funds	7,222,151	3,857,304	748,526	3,093,416	(10,667)	-	-	-	-	-
Nonspendable	-	-	-	-	-	5,110,108	4,403,864	892,229	1,300,465	2,211
Restricted	-	-	-	-	-	4,703,138	6,815,761	8,318,015	10,270,257	13,200,197
Committed	-	-	-	-	-	1,191,730	998,859	1,135,457	1,057,197	1,098,278
Assigned	-	-	-	-	-	658,364	658,786	4,119,924	3,242,555	4,791,949
Unassigned (deficit)	-	-	-	-	-	(7,704,171)	(8,030,941)	(6,019,537)	(7,388,808)	(7,985,646)
<b>Total Other Governmental Funds</b>	<b>\$14,140,403</b>	<b>\$10,650,550</b>	<b>\$12,195,225</b>	<b>\$11,905,190</b>	<b>\$4,869,155</b>	<b>\$3,959,169</b>	<b>\$4,846,329</b>	<b>\$8,446,088</b>	<b>\$8,481,666</b>	<b>\$11,106,989</b>
<b>Total All Governmental Funds</b>	<b>\$18,408,112</b>	<b>\$15,380,047</b>	<b>\$16,728,570</b>	<b>\$16,182,804</b>	<b>\$9,002,870</b>	<b>\$7,673,194</b>	<b>\$8,799,287</b>	<b>\$12,402,801</b>	<b>\$12,494,770</b>	<b>\$15,248,105</b>

Note: The City implemented GASB Statement No. 54-Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement established 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$14,694,722	\$15,647,986	\$16,604,187	\$17,275,468	\$17,463,554	\$18,038,420	\$18,593,242	\$19,897,356	\$19,929,065	\$20,551,635
Intergovernmental	5,658,704	5,607,111	5,672,702	5,690,668	5,927,091	5,268,396	5,739,668	5,311,539	5,250,974	5,261,598
Licenses and permits	230,534	215,775	298,149	209,369	236,438	272,417	381,153	277,171	243,559	338,491
Fines, forfeitures and penalties	134,532	125,993	134,379	129,116	126,060	114,095	130,272	108,058	83,372	83,306
Special assessments	555,488	246,238	320,726	420,556	485,784	292,000	391,991	339,146	244,090	255,338
Charges for services	2,234,452	2,229,135	2,343,395	2,367,214	2,394,063	2,455,719	2,501,628	2,534,198	2,590,284	2,676,479
Contributions	449,765	228,232	643,043	194,941	146,667	277,420	365,507	211,523	315,592	160,646
Investment income and miscellaneous	1,758,197	2,116,582	1,174,526	1,104,648	1,024,057	722,474	1,238,270	965,633	1,116,355	709,376
Total revenues	25,716,394	26,417,052	27,191,107	27,391,980	27,803,714	27,440,941	29,341,731	29,644,624	29,782,291	30,036,869
<b>Expenditures by Function</b>										
General government	2,379,715	2,487,931	2,554,982	2,648,212	2,064,590	2,049,477	2,076,328	2,133,309	2,257,794	2,177,819
Public safety	9,002,181	9,158,116	9,616,636	9,792,701	10,228,844	10,724,329	10,921,135	10,951,421	10,930,803	10,962,262
Public works	3,338,297	3,860,556	4,209,452	3,945,681	4,006,233	4,045,034	4,078,836	4,198,844	4,189,970	4,147,828
Recycling	642,372	520,700	510,284	479,741	521,270	569,995	519,326	546,489	583,230	544,038
Parks, recreation and education	3,502,019	3,783,406	3,718,579	3,769,351	3,868,301	3,868,201	3,804,729	3,901,458	4,065,487	4,094,752
Health and welfare	532,408	553,951	553,419	592,711	584,687	602,295	386,549	33,752	9,208	3,328
Community development	1,513,390	1,560,698	1,572,006	1,532,962	1,669,208	1,674,582	1,612,638	1,465,685	1,820,963	1,981,612
Conservation and development	-	-	-	-	-	-	-	-	-	7,466
Other	231,613	242,455	285,678	286,036	299,390	307,525	289,815	276,819	291,005	251,698
Capital Outlay	6,999,888	7,959,861	7,736,535	6,590,055	6,624,826	2,932,671	5,888,869	3,262,846	3,901,278	3,692,981
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	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)	5,414,820	5,249,257
Interest and fiscal charges	2,324,034	2,534,807	2,514,275	2,833,740	2,677,616	2,597,537	2,571,987	3,723,662	2,037,422	1,968,386
Total expenditures	34,901,360	36,738,913	38,086,636	37,528,684	37,845,781	34,667,798	35,984,678	51,335,571	35,501,980	35,101,427
<b>Excess of Revenues Over(Under) Expenditures</b>	<u>(9,184,966)</u>	<u>(10,321,861)</u>	<u>(10,895,529)</u>	<u>(10,136,704)</u>	<u>(10,042,067)</u>	<u>(7,226,857)</u>	<u>(6,642,947)</u>	<u>(21,690,947)</u>	<u>(5,719,689)</u>	<u>(5,064,568)</u>
<b>Other Financing Sources (Uses)</b>										
Long-term debt issued	10,305,000	4,844,640	6,646,000	3,290,000	4,280,000	3,335,000	4,200,000	3,765,000	3,230,000	6,430,000
Refunding debt issued (principal paid)	-	-	(2,930,000)	3,830,314	(4,025,000)	-	4,186,092	7,177,826	-	-
Premium (discount) on debt	111,572	16,517	61,700	137,637	70,686	19,362	113,622	365,525	45,318	130,295
Payment to escrow agent	-	-	-	-	-	-	(3,485,965)	(6,358,607)	-	(1,259,854)
Proceeds from capital lease issued	-	-	6,285,000	-	-	-	17,620,000	-	-	-
Sale of city property	45,909	117,655	34,695	117,453	65,218	19,759	16,630	70,588	10,597	14,067
Transfers in	6,289,469	5,734,966	6,899,008	6,523,367	11,707,906	6,231,780	5,802,172	5,616,339	6,417,060	8,017,935
Transfers out	(4,299,634)	(3,419,982)	(4,752,351)	(4,307,833)	(9,236,677)	(3,708,720)	(3,063,511)	(2,962,210)	(3,891,317)	(5,514,570)
Total other financing sources (uses)	<u>12,452,316</u>	<u>7,293,796</u>	<u>12,244,052</u>	<u>9,590,938</u>	<u>2,862,133</u>	<u>5,897,181</u>	<u>7,769,040</u>	<u>25,294,461</u>	<u>5,811,658</u>	<u>7,817,893</u>
<b>Net change in fund balances</b>	<u>3,267,350</u>	<u>(3,028,065)</u>	<u>1,348,523</u>	<u>(545,766)</u>	<u>(7,179,934)</u>	<u>(1,329,676)</u>	<u>1,126,093</u>	<u>3,603,514</u>	<u>91,969</u>	<u>2,753,335</u>
Fund Balance January 1	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	12,494,770
Fund Balance December 31	18,408,112	15,380,047	16,728,570	16,182,804	9,002,870	7,673,194	8,799,287	12,402,801	12,494,770	15,248,105
** Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures	23.06%	23.72%	22.40%	22.73%	25.51%	25.53%	20.99%	50.98% a)	23.31%	22.46%

\*\* 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 Years<sup>1</sup>  
(Dollars in Thousands)

Ley Year	Fiscal Year	Real Property Equalized Values			Manufacturing	Personal Property Equalized Value		Total Equalized Value	Assessed Value <sup>2</sup>	Percent of Total Assessed to Total Equalized Value
		Residential	Commercial	Combined Commercial & Mfg.						
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		
2014	2015	1,235,121	418,411	172,767	92,044	1,918,343	1,918,934	100.03		
2015	2016	1,248,470	420,132	166,506	97,947	1,933,055	1,937,527	100.23		

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

<sup>2</sup> Assessed values are established by the 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.

Schedule 7

CITY OF NEENAH, WISCONSIN

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Per \$1,000 of Equalized Value															
Levy Year	Budget Year	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	Total Gross	State Credit	Total Net
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	.18	.47	8.11	8.51	1.71	5.72	24.05	1.31	22.74
2010	2011	6.18	1.67	.10		.02	.08	.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
2014	2015	6.68	1.67			.01		.83	9.19	8.55	1.12	5.76	24.62	1.25	23.37
2015	2016	6.71	1.70					.82	9.23	8.57	1.12	5.61	24.53	1.39	23.14

Per \$1,000 of Assessed Value															
Levy Year	Budget Year	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	Total Gross	State Credit	Total Net
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	.19	.49	8.47	8.89	1.79	5.98	25.13	1.37	23.76
2010	2011	6.16	1.67	.10		.02	.08	.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
2014	2015	6.68	1.67			.01		.83	9.19	8.55	1.12	5.75	24.61	1.25	23.36
2015	2016	6.70	1.69					.82	9.21	8.55	1.12	5.60	24.48	1.39	23.09

Schedule 8

CITY OF NEENAH, WISCONSIN  
PRINCIPAL TAXPAYERS  
 2015 AND NINE YEARS PRIOR

December 31, 2015

Name	Nature of Business	Percent of Total		2015		2015
		Assessed Value (A)	Assessed Value (B)	Assessed Value	Equalized Value	
1. Plexus Corporation	Computer Products and Service	2.16%		\$41,775,100	\$41,675,080	
2. Alta Resources	Telemarketing & Fulfillment	1.02%		19,751,400	19,704,110	
3. Thomas Wright	Rentals	0.92%		17,869,800	17,827,015	
4. Menasha Corporation	Printing & Container Manufacturing	0.79%		15,352,200	15,315,443	
5. Wal-Mart	Retail Sales	0.74%		14,334,400	14,300,080	
6. Ireit Neenah Fox Point LLC	Grocery/Commercial	0.70%		13,583,900	13,551,377	
7. Kimberly-Clark Corporation	Paper Products	0.68%		13,110,800	13,079,409	
8. Neenah Foundry	Cast Metal Products	0.67%		13,075,500	13,044,194	
9. Curwood Wisconsin LLC	Flexible Packaging & Carton Mfg.	0.66%		12,831,300	12,800,579	
10. Jewelers Mutual Insurance Co	Insurance	0.64%		12,435,100	12,405,327	
Total		8.98%		<u>\$174,119,500</u>	<u>\$173,702,614</u>	

(A) Based on the City's total 2015 assessed valuation of \$1,937,527,000 established January 1, 2015 for the 2015 levy.

December 31, 2006

Name	Nature of Business	Percent of Total		2006		2006
		Assessed Value (B)	Assessed Value	Assessed Value	Equalized Value	
1. Kimberly-Clark Corporation	Paper Products	1.34%		\$24,435,900	\$24,583,401	
2. Alta Resources	Customer Care	0.96%		17,637,100	17,743,562	
3. Neenah Downtown Redevelopment	Commercial Office Space	0.87%		15,843,000	15,938,632	
4. Wal-Mart	Retail	0.82%		15,000,000	15,090,544	
5. Jewelers Mutual	Insurance	0.63%		11,527,300	11,596,882	
6. Pechiney Plastic Packaging	Flexible Packaging and Carton Mfg.	0.61%		11,171,500	11,238,934	
7. Plexus Corporation	Computer Products	0.54%		9,857,000	9,916,499	
8. Neenah Foundry, Inc.	Cast Metal Products	0.53%		9,571,700	9,629,477	
9. TIDI Products	Healthcare Products	0.51%		9,344,900	9,401,308	
10. Menasha Corporation	Printing and Container Mfg.	0.46%		8,335,500	8,385,815	
Total		7.27%		<u>\$132,723,900</u>	<u>\$133,525,054</u>	

(B) Based on the City's total 2006 assessed valuation of \$1,835,543,593 established January 1, 2006 for the 2006 levy.

Schedule 9

CITY OF NEENAH, WISCONSIN

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Collections Prior to Transfer of Roll on August 1<sup>1</sup></u>	<u>Percent of Levy Collected</u>	<u>Total Tax Collections As of 12/31</u>	<u>Total Collections as Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Levy</u>
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
2014	47,403,198	46,808,084	98.74	47,371,911	99.93	31,287	0.07
2015	47,224,136	46,672,262	98.83	47,174,518	99.90	49,618	0.10

<sup>1</sup> 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/Bonds	Note Anticipation Notes	Capital Leases	G.O. Notes for Business-Type Activities	Water Revenue Bonds	Sanitary Sewer System Clean Water Loan	Storm Water Revenue Bonds	Capital Leases	Primary Government	City Population	Total Debt Per Capita			
2006	\$ 43,167,692	\$ -	\$ 16,190,000	\$ 2,475,554	\$ 35,029,334	\$ -	\$ -	\$ 5,013	\$ 96,867,593	25,430	\$ 3,809.19			
2007	43,815,195	-	16,190,000	3,449,386	38,115,317	-	-	-	101,569,898	25,430	3,994.10			
2008	42,696,405	-	22,475,000	4,348,025	36,341,883	-	-	-	105,861,313	25,560	4,141.68			
2009	44,759,225	-	22,475,000	6,137,369	34,310,815	-	400,405	-	108,082,814	25,800	4,189.26			
2010	39,713,409	-	22,475,000	6,521,137	32,147,812	-	446,223	-	101,303,581	25,501	3,972.53			
2011	37,777,257	-	22,450,000	7,525,650	29,926,476	-	452,605	-	98,131,988	25,612	3,831.48			
2012	39,273,910	-	22,425,000	8,181,034	27,141,137	-	433,540	-	97,454,621	25,723	3,788.62			
2013	39,562,952	-	22,987,673	8,400,430	24,686,109	9,620,219	413,874	-	105,671,257	25,750	4,103.74			
2014	37,821,664	-	22,544,141	8,686,334	22,270,691	10,529,720	393,588	-	102,246,138	25,833	3,957.97			
2015	36,925,947	1,350,000	22,090,611	8,518,933	19,739,162	10,102,648	372,662	-	99,099,963	25,871	3,830.54			

Schedule 11

CITY OF NEENAH, WISCONSIN

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

<u>Calendar Year Ending 12/31</u>	<u>General Outstanding Debt <sup>1</sup></u>	<u>Equalized Valuation <sup>2</sup></u>	<u>Percent of Debt to Eq. Valuation</u>	<u>Estimated Population</u>	<u>Debt Per Capita</u>
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
2014	46,507,998	1,918,342,200	2.42%	25,833	* 1,800.33
2015	45,444,880	1,933,055,000	2.35%	25,871	* 1,756.60

\* Estimate

<sup>1</sup> This amount does not include debt of the Neenah Joint School District.

<sup>2</sup> 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 \$6,285,000 Lease Revenue Bonds in 2008 and \$17,620,000 in Lease Revenue Refunding Bonds 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, 2015

<u>Jurisdiction</u>	<u>Debt Outstanding<sup>1</sup></u>	<u>Percent Applicable to City of Neenah</u>	<u>Amount Applicable to City of Neenah</u>
<u>Direct Debt</u>			
City of Neenah <sup>2</sup>	\$ 60,366,558	100.00	\$ 60,366,558
<u>Overlapping Debt</u>			
Neenah Joint School District	150,000	49.17	73,755
Fox Valley Technical College	74,825,000	5.52	4,130,340
Winnebago County	27,993,037	16.01	4,481,685
Total Overlapping Debt	\$102,968,037		\$8,685,780
<b>Total Direct and Overlapping Debt</b>	<u>\$163,334,595</u>		<u>\$69,052,338</u>

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

<sup>2</sup> This amount excludes general obligation debt for business-type activities.

Schedule 13

CITY OF NEENAH, WISCONSIN

COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2015

Equalized Value of Real and Personal Property	<u>\$ 1,933,055,000</u>	
Debt Limit, Five (5) Percent of Equalized Valuation (Wisconsin Statutory Limitation)	<u>\$ 96,652,750</u>	100.00%
Total General Obligation Debt	<u>\$ 45,444,880</u>	
Amount of Debt Applicable to Debt Limitation:		
Total Obligation Bonds and Loans Applicable to Debt Limit at December 31, 2015	\$45,444,880	47.02%
Less: Assets in Debt Service Fund Available for Payment of Principal	\$937	
Net Amount of Debt Applicable to Debt Limit	\$45,443,943	47.02%
Remaining Legal Debt Margin	\$51,208,807	52.98%

Schedule 14

**CITY OF NEENAH, WISCONSIN**

**REVENUE BOND COVERAGE**

**Water Utility**

**Last Ten Fiscal Years**

Fiscal Year	Direct Operating Revenues	Direct Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirements <sup>1</sup>			Coverage
				Principal	Interest	Total	
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
2014	8,000,288	3,289,327	4,710,961	2,531,529	544,463	3,075,992	1.53
2015	7,986,324	2,995,535	4,990,789	2,360,972	420,181	2,781,153	1.79

<sup>1</sup> 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 2017) on all outstanding bond issues as of December 31, 2015.

<sup>2</sup> Includes total operating expenses less depreciation.

**CITY OF NEENAH, WISCONSIN**

**WATER UTILITY DATA**

**TEN LARGEST WATER USERS**

Year Ending December 31, 2015

<u>Name</u>	<u>Nature of Business</u>	<u>Thousands of Gallons (000)</u>	<u>Water Billing<sup>1</sup></u>
1. Neenah Foundry	Castings	80,052	\$405,995
2. Galloway	Dairy Products	71,490	363,339
3. Kimberly Clark Corporation	Paper Research/Paper & Hygiene Products	65,834	331,819
4. Theda Clark Regional Medical Center	Health Care	33,846	175,161
5. Neenah Paper	High Quality Bond Paper	33,358	167,623
6. Georgia Pacific	Paper Research	10,632	57,550
7. Industrial Towel & Uniform	Commercial Laundry	10,107	54,976
8. Bemis	Packaging	8,913	48,589
9. Menasha Packaging	Packaging	6,878	38,314
10. YMCA	Recreation/Fitness Center	6,777	37,161
	Total of Ten Largest Retail Users	327,887	\$1,680,527
	Total Water Utility	888,112	\$7,718,030
	Ten Largest as Percent of Total Water Utility	37%	22%

<sup>1</sup> 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>
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
2014	894	1,230	3.37	4.75	12.00
2015	888	1,069	3.48	4.91	12.00

Schedule 16

CITY OF NEENAH, WISCONSIN

DEMOGRAPHIC & ECONOMIC STATISTICS

Last Ten Fiscal Years

<u>Year</u>	<u>Population</u> <sup>1</sup>	<u>Adjusted Gross Income per Return</u> <sup>2</sup>			<u>Unemployment Rate</u> <sup>3</sup>
		<u>City of Neenah</u>	<u>State of Wisconsin</u>	<u>City as % of State</u>	
2005	25,338	\$ 48,999	\$ 45,357	108%	3.5%
2006	25,430	53,579	48,107	111	4.6
2007	25,430	54,328	48,985	111	4.5
2008	25,560	53,345	47,046	113	4.3
2009	25,800	54,626	45,372	120	7.3
2010	25,501	55,830	46,958	118	10.0
2011	25,612	57,680	47,640	121	8.8
2012	25,723	59,870	49,900	120	8.7
2013	25,750	60,070	50,670	119	8.0
2014	25,871	61,320	52,050	118	4.6

Source: <sup>1</sup> U.S. Census Bureau

<sup>2</sup> Wisconsin Department of Revenue, Division of Research and Policy

<sup>3</sup> Wisconsin Department of Workforce Development

Schedule 17

**CITY OF NEENAH, WISCONSIN**

**PRINCIPAL INDUSTRIAL AND COMMERCIAL EMPLOYERS**  
**2015 AND NINE YEARS PRIOR**

<b><u>2015 Company Name</u></b>	<b><u>2015 Product or Service</u></b>	<b><u>2015 Number of Employees</u></b>
Kimberly-Clark Corporation	Paper Products	2,150
Plexus Corporation	Computer Products and Services	1,900
Bemis	Flexible Food & Consumer Product Packaging	1,800
Theda Clark Medical Center	Health Care	1,500
J.J. Keller & Associates	Publisher/Printer Services for Technical and Regulatory Information	1,200
Bergstrom Corp	Automotive Sales & Service	1,200
Neenah Foundry, Inc.	Cast Metal Products	1,100
Menasha Corp.	Plastics & Packaging	850
Neenah Joint School District	Education	678
Alta Resources	Outsourced Customer Care Solutions Marketing	650

Source: Fox Cities Regional Partnership Economic Outlook Survey 2016 ([www.foxcitiesregionalpartnership.com](http://www.foxcitiesregionalpartnership.com)) and employer contacts.

<b><u>2006 Company Name</u></b>	<b><u>2006 Product or Service</u></b>	<b><u>2006 Number of Employees</u></b>
Kimberly-Clark Corporation	Paper Products	2,586
Plexus Corporation	Computer Products Manufacturing	1,787
Theda Clark Medical Center	Healthcare	1,510
SCA Tissue North America LLC	Paper Napkin Stock	1,060
J.J. Keller & Associates	Publisher and Printer Services for Technical and Regulatory Information	1,030
Neenah Foundry, Inc.	Cast Metal Products	860
Neenah Joint School District	Education	750
Alta Resources	Outsourced Customer Care Solutions	550
Cellu Tissue Corporation	Converted Paper Products	513
Alcan Packaging	Flexible Packaging and Carton Manufacturing	510

Source: Employer Contacts, April 2007, 2007 Wisconsin Business Services & 2007 Wisconsin Manufacturing Directories.

Schedule 18

CITY OF NEENAH, WISCONSIN

**SCHEDULE OF INSURANCE IN FORCE**

December 31, 2015

<b>Type of Coverage</b>	<b>Carrier</b>	<b>Limits of Coverage</b>	<b>Premium</b>
Boiler and Machinery	Zurich American Insurance Company	\$100,000,000	\$3,202
Buildings, Personal Property & Property in the Open	Local Government Property Insurance Fund	\$137,274,641	\$46,673
Contractors Equipment	Local Government Property Insurance Fund	\$4,275,892	\$2,608
Pier and Wharf	Local Government Property Insurance Fund	\$369,877	\$192
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		(\$3,677)
Motor Vehicles	Cities and Villages Mutual Insurance Company	\$11,874,826	\$43,426
Workers Compensation	Cities and Villages Mutual Insurance Company	Each E/ee for Disease Each Accident	\$399,252
Liability Coverage (General, Law Enforcement, Public Officials)	Cities and Villages Mutual Insurance Company	\$5,000,000	\$74,843
Excess Public Entity Liability (General, Law Enforcement, Public Officials)	Darwin National Assurance Company	\$5,000,000	\$3,911
Employment Practices Liability	RSUI Indemnity Company	\$1,000,000	\$23,291
Crime Coverage	National Union Fire Ins. Co. of Pittsburgh	\$1,000,000	\$1,152

