

# **CITY OF NEENAH**

Neenah, Wisconsin

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2014

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, 2014

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June 25, 2015

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

The City of Neenah (the "City") 2014 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 2014 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 9.59 square mile area. Its current population is 25,833 based on 2014 estimates.

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

The Cities of Neenah, Appleton, Menasha and Oshkosh comprise an area known as the Fox Cities due to their location along the Fox River. This metropolitan area, which has

an estimated population of over 367,500 people, is Wisconsin's third largest socio-economic market and one of its fastest growing metropolitan areas. The State of Wisconsin reports continue to pinpoint the Fox Cities as a leader in property valuation growth and high personal income.

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

Neenah's downtown is also home to the world headquarters of Plexus Corporation, Alta Resources and Bemis Company, along with a significant presence from both Kimberly-Clark Corporation and Bergstrom Corporation. The ongoing Downtown Riverwalk Zone Initiative has already generated over \$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, 1,484 building permits were issued in the City last year leading to over \$29 million in new construction.

Notable projects in 2014 were the \$1,000,000 Qdoba restaurant, the \$1,900,000 Galloway company addition, the \$700,000 Trinity School addition, two \$500,000 Neenah Foundry additions, two major Theda Clark renovations, 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 four open TIF Districts. Existing districts include TIF Districts No. 5 and No. 8, which are located in and adjacent to the City's downtown business and waterfront district. In the last seven 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.

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 US Highway 41.

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>1/1/14 Value</u>	<u>Increment</u>
5	1/1/93	4/21/15	12/31/23	\$13,971,900	\$23,255,400	\$9,283,500
6	1/1/97	3/9/15	12/31/23	2,869,600	32,349,000	29,479,400
7	1/1/00	7/4/22	12/31/26	39,226,900	118,901,200	79,674,300
8	1/1/01	9/4/23	12/31/32	14,743,600	69,202,900	54,459,300
						<u>\$172,896,500</u>

Neenah's future and economic development outlook remains strong and well positioned as the economy rebounds. Approximately 150 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 8,385 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, a fountain, a concert lawn and ample sitting areas. Shattuck Park is a preferred venue for events, concerts, festivals and other community gatherings and will celebrate 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 uses. This Plaza, located between Plexus Global Headquarters and the Affinity Medical Clinic, had the strong support of private donors. This partnership between the City and those generating private funds allowed the construction of a high-quality public space for the entire community to enjoy.

The City administers a comprehensive recreation program offering activities and services in arts, sports, special events, wellness/fitness, hobby and entertainment. By maintaining

partnerships with private non-profit groups, the City helps facilitate many other opportunities including sailing lessons and regattas, major soccer tournaments and one of the largest 3-on-3 basketball tournaments in the State. A full-service YMCA and the Boys & Girls Brigade offer numerous year round programs and camping opportunities.

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

Neenah Public Library's use has increased significantly since the 50,000 square foot building opened in 2000. Neenah Public Library is the 12th highest circulating library in the state, checking out over 930,000 items in 2014. Customer usage continues to be strong, with over 850 customers using the library daily (approximately 90 customers per hour) and 23,000 registered cardholders. In 2014, library staff answered 78,000 reference questions and offered extensive library programming for all ages – over 800 programs with attendance of almost 30,000. The library provides quality reference and readers' advisory services. Additional services include homebound delivery, meeting rooms available for use by individuals and groups (including two rooms equipped with hearing loops for the hearing impaired), free legal clinics and free volunteer tax preparation assistance.

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

City residents have access to both public and private colleges and universities in the Fox Valley region. Fox Valley Technical College ("FVTC") has two main campuses in Appleton and Oshkosh. The University of Wisconsin-Oshkosh ("UW-Oshkosh") is one of 13 universities administered by the Wisconsin Board of Regents 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. The University of Wisconsin-Fox Valley (two-year center), is located in Menasha. 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. Marian College, located in Fond du Lac, is another four-year liberal arts college, which also offers classes in the City.

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

intensive care unit. Theda Clark Medical Center celebrated 100 years of service to northeast Wisconsin in 2009.

## FINANCIAL INFORMATION

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

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

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

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

## INDEPENDENT AUDIT

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

## REPORTING ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Neenah for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the thirty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the 2014 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## CONTINUING DISCLOSURE REQUIREMENTS

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

## ACKNOWLEDGMENTS

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

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

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

A handwritten signature in green ink, appearing to read "M.K. Easker". The signature is fluid and cursive, with a period after the first name and a large, stylized initial for the last name.

Michael K. Easker, CPA  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
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Presented to

**City of Neenah  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

**CITY OF NEENAH  
DIRECTORY OF OFFICIALS  
2014 – 2015**

**MAYOR**

Dean R. Kaufert

**PRESIDENT OF THE COUNCIL**

Marge Bates

**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:	Tim Hamblin
Aldermanic District 3:	Lee Hillstrom
Aldermanic District 3:	Jane Lang

**OFFICERS**

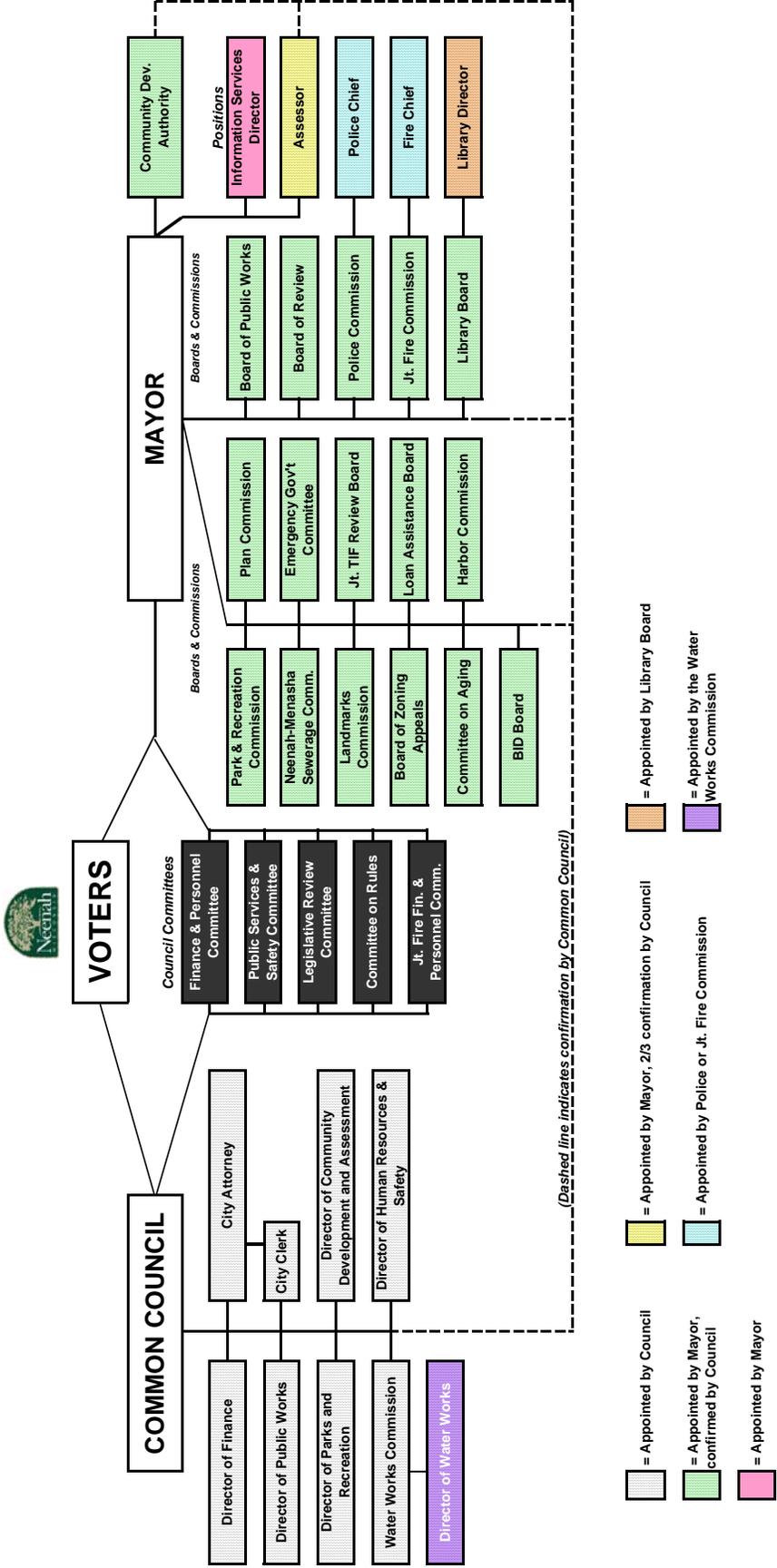
Director of Finance	Michael K. Easker
City Attorney	James G. Godlewski
City Clerk	Patricia A. Sturn
Director of Human Resources and Safety	Heather C. Barber
Police Chief	Kevin Wilkinson
Fire Chief	Al Auxier
Director of Public Works and Utilities	Gerry Kaiser
Director of Community Development and Assessment	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 Marge Bates  
Aldersperson Tami Erickson  
Aldersperson Christopher Kunz

**STANDING PUBLIC SERVICES AND SAFETY COMMITTEE**

Aldersperson Lee Hillstrom (Chairman)  
Aldersperson Cari Lendrum (Vice Chairman)  
Aldersperson Marge Bates  
Aldersperson Tim Hamblin  
Aldersperson Jane Lang



## 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, 2014, 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, 2014 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.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary Information*

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

To the Mayor and Common Council  
City of Neenah

*Other Information*

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

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
June 25, 2015

## **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, 2014. 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 twelfth year the City has reported its financial statements in conformance with Governmental Accounting Standards Board Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This is the fourth 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 \$140,806,513 as of December 31, 2014. Net position from Governmental Activities account for \$81,210,985 of the total, an increase of \$1,427,731 from the previous year. Business-Type Activities net position was \$59,595,528, an increase of \$2,119,182 from 2013.
- > The City ended 2014 with a fund balance of \$12,494,770 for all Governmental Funds, an increase of \$91,969 from 2013. This total includes \$3,747,098, which is unassigned, in the City's General Fund. This fund balance is 16.38% of the City's 2014 General Fund expenditures/other financing uses of \$22,873,220.
- > In 2014, the City issued \$4,685,000 in General Obligation ("G.O.") Notes, backed by the full faith and credit of the City. Of that amount, \$3,230,000 will fund projects for Governmental Activities while \$1,455,000 is earmarked for Business-Type Activities.

### **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, 2014. 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, 2014, we will try to answer some very basic questions. Is the City better or worse off financially than it was in 2013? 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 2014:

### *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 2014, 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)
- 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 2014, 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 (major fund)
- TIF District No. 8 (major fund)
- Redevelopment
- Facilities
- Capital Equipment
- Equipment Replacement

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

## ***Proprietary Funds***

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

## Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control and accountability or other purposes. In 2014, 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 2014, 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 2014, 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 \$140,806,513 for the City of Neenah as of December 31, 2014. This includes total assets of \$271,488,875, deferred outflows of resources of \$421,716, total liabilities of \$110,508,326 and deferred inflows of resources of \$20,595,752. 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 76% of the City's total assets. This includes the City's investment in roads, sewers and bridges. Non-current liabilities, most of which were incurred to finance capital assets, account for approximately 94% of all City liabilities. The following table provides an analysis of the City's net position outlook:

# Management's Discussion and Analysis (Unaudited)

## CITY OF NEENAH NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$40,329,345	\$40,129,229	\$24,387,934	\$22,682,256	\$64,717,279	\$62,811,485
Capital assets	128,988,438	129,388,188	77,783,158	78,860,629	206,771,596	208,248,817
Total assets	169,317,783	169,517,417	102,171,092	101,542,885	271,488,875	271,060,302
Deferred outflows of resources	244,389	291,690	177,327	208,814	421,716	500,504
Long-term liabilities	(64,690,809)	(66,948,786)	(39,335,683)	(40,766,447)	(104,026,492)	(107,715,233)
Other liabilities	(3,084,626)	(3,112,633)	(3,397,208)	(3,488,906)	(6,481,834)	(6,601,539)
Total liabilities	(67,775,435)	(70,061,419)	(42,732,891)	(44,255,353)	(110,508,326)	(114,316,772)
Deferred inflows of resources	(20,575,752)	(19,964,434)	(20,000)	(20,000)	(20,595,752)	(19,984,434)
Net position:						
Net investment in capital assets	83,027,527	81,134,838	47,296,614	46,259,804	129,212,427	126,159,388
Restricted	7,827,128	4,122,877	1,273,145	1,232,260	9,100,273	5,355,137
Unrestricted (deficit)	(9,643,670)	(5,474,461)	11,025,769	9,984,282	2,493,813	5,745,075
Total net position	\$81,210,985	\$79,783,254	\$59,595,528	\$57,476,346	\$140,806,513	\$137,259,600

The total net position section includes an adjustment of \$1,111,714 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 \$1,427,731 from 2013, while net position for business-type activities rose by \$2,119,182. The increase in both governmental activity net position and business-type activity net position is due to an increase in both current and capital assets more than offsetting increases in both current and non-current liabilities.

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

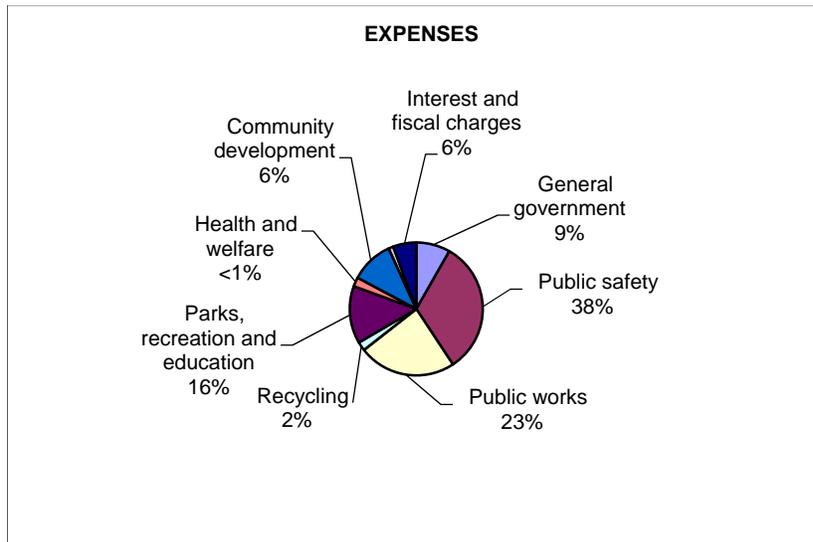
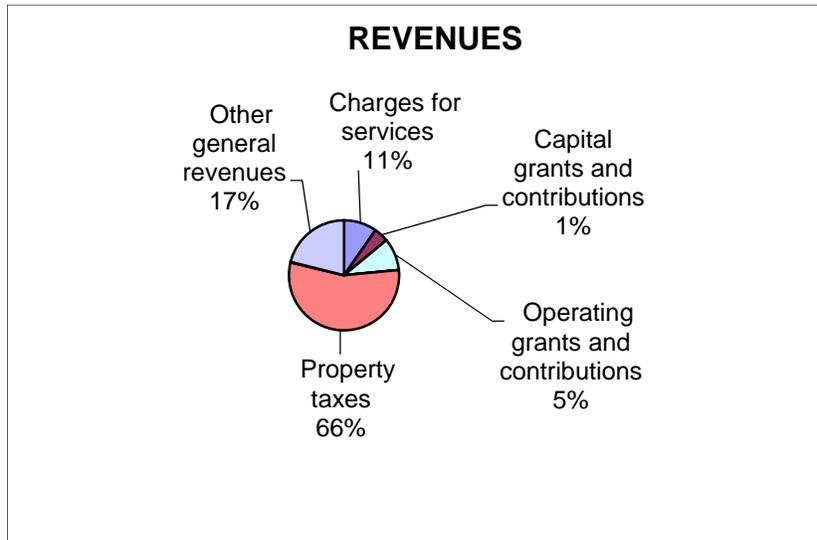
# Management's Discussion and Analysis (Unaudited)

## CITY OF NEENAH CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program revenues						
Charges for services	\$3,134,271	\$3,131,765	\$14,160,388	\$14,326,962	\$17,294,659	\$17,458,727
Operating grants and contributions	1,482,908	984,782	63,340	-	1,546,248	984,782
Capital grants and contributions	247,080	946,701	129,041	157,112	376,121	1,103,813
General revenues						
Property taxes	19,655,740	19,658,906	-	-	19,655,740	19,658,906
Other taxes	11,741	11,925	20,000	50,000	31,741	61,925
Other general revenues	5,156,241	5,025,160	53,478	29,727	5,209,719	5,054,887
Total revenues	<u>29,687,981</u>	<u>29,759,239</u>	<u>14,426,247</u>	<u>14,563,801</u>	<u>44,114,228</u>	<u>44,323,040</u>
<b>Expenses</b>						
General government	2,630,760	2,648,878	-	-	2,630,760	2,648,878
Public safety	11,754,383	10,522,364	-	-	11,754,383	10,522,364
Public works	6,956,331	7,785,260	-	-	6,956,331	7,785,260
Recycling	549,003	510,705	-	-	549,003	510,705
Parks, recreation and education	4,813,270	3,984,727	-	-	4,813,270	3,984,727
Health and welfare	10,335	34,679	-	-	10,335	34,679
Community development	1,867,479	1,511,981	-	-	1,867,479	1,511,981
Interest and fiscal charges	1,934,432	3,074,953	-	-	1,934,432	3,074,953
Water utility	-	-	5,640,643	5,977,085	5,640,643	5,977,085
Sewer disposal utility	-	-	2,982,985	3,340,100	2,982,985	3,340,100
Storm water utility	-	-	1,143,761	1,276,294	1,143,761	1,276,294
Other proprietary funds	-	-	283,933	250,744	283,933	250,744
Total expenses	<u>30,515,993</u>	<u>30,073,547</u>	<u>10,051,322</u>	<u>10,844,223</u>	<u>40,567,315</u>	<u>40,917,770</u>
Increase (decrease) in net position before transfers	(828,012)	(314,308)	4,374,925	3,719,578	3,546,913	3,405,270
Transfers	2,255,743	2,287,723	(2,255,743)	(2,287,723)	-	-
Change in net position	1,427,731	1,973,415	2,119,182	1,431,855	3,546,913	3,405,270
Net position-beginning	79,783,254	77,809,839	57,476,346	56,044,491	137,259,600	133,854,330
Net position-end of year	<u>\$81,210,985</u>	<u>\$79,783,254</u>	<u>\$59,595,528</u>	<u>\$57,476,346</u>	<u>\$140,806,513</u>	<u>\$137,259,600</u>

Property taxes in 2014 accounted for 66.21% of total governmental activities revenue, while charges for services accounted for over 98% all of revenues generated by business-type activities. Expenses for public safety and public works were 61.31% of all governmental activities expenses. Business-type activities expenses were mostly due to the operations of the Water Utility (56.12%) and Sewerage Disposal Utility (29.68%). 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 2014 with a fund balance of \$12,494,770 in its governmental funds, a small increase of \$91,969 (.7%) from December 31, 2013.

#### *General Fund*

The City's General Fund realized a modest fund balance increase of \$56,391 from 2014 operations. Positive expenditure budget variances in most City operations more than offset a \$100,000 deficit in the snow and ice control budget. A variance of almost \$200,000 in Transfers from Other Funds was the only significant negative revenue variance for 2014.

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

Fund balance at year end totaled \$4,013,104, of which \$3,747,098 is unassigned. This unassigned fund balance is 16.38% of the City's 2014 General Fund expenditures/other financing uses of \$22,873,220. 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 16.38% 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 \$507,975, which resulted in a fund balance deficit at year-end of \$4,819,079. 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 \$892,692 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 2013, led to a small decrease in fund balance of \$117,693. This resulted in a fund balance at year end of \$3,993,904.

### Capital Projects – TIF District No. 7

This fund accounts for resources to be used to fund redevelopment projects within the City's Westside Business Corridor. Unspent borrowed funds in 2014 led to a small increase in fund balance of \$9,675. This resulted in a fund balance at year end of \$1,024,713.

### 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 2014 led to an increase in fund balance of \$379,347. This resulted in a positive year-end balance of \$1,504,052.

# Management's Discussion and Analysis (Unaudited)

## *Proprietary Funds*

### Water Utility

The water utility's operating income was \$3,014,071 in 2014, with net income before transfers and contributions of \$2,402,690. These positive operating results lead to an increase in net position of \$1,333,047. The water utility's 2014 rate of return is 5.53%, compared to 6.21% in 2013. Positive operating outcomes are the result of a water rate increase that was fully implemented in 2011. That continues to be partially offset by the loss of the Utility's largest water user (Fox Valley Energy) in June of 2013.

### Sewerage Disposal Utility

The sewerage disposal utility realized an operating gain, before transfers and contributions, of \$1,151,983. Overall net position increased by \$569,251. 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 2014.

### Storm Water Utility

The City formed a new storm water utility in 2003. In 2014, the utility had operating income, before transfers and contributions, of \$613,304 and an increase in net position of \$280,587. 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 2014 General Fund adopted expenditure budget totaled \$23,080,980. The Common Council approved departmental 2014 carryover requests of 2013 unspent operating funds of \$28,907 for an amended expenditure budget of \$23,109,887. Before carryovers, the City's final General Fund revenue budget totaled \$23,080,980. For the first time in recent history, the 2014 budget did not include the use of any reserves to balance the General Fund operating budget.

The City ended 2014 with a total fund balance increase of \$56,391 and an unassigned fund balance decrease of \$34,937 from 2013, continuing a stable trend established over recent years.

Actual general fund revenue was \$151,369 (.66%) less than budget. The City experienced a positive variance in Taxes (\$173), Intergovernmental Revenues (\$157,475) and Charges for Services (\$28,194) while Licenses and Permits (\$16,911), Fines, Forfeitures and Penalties (\$54,628) Investment Income/Miscellaneous (\$72,332) and Other Financing Sources (\$193,340) experienced negative variances.

General fund expenditures finished 2014 with a favorable budget variance of \$236,667 (1.02%). Almost all operating facets experienced positive variances, including General Government (\$40,906), Public Safety (\$164,292), Parks, Recreation and Education (\$6,488), Health and Welfare (\$140), Community Development (\$117,006). Public Works (\$68,030) and Other

# Management's Discussion and Analysis (Unaudited)

(\$24,135) were the only functions with an unfavorable budget variance. Statements highlighting budget versus actual variances can be found on pages 73 through 76 of this report.

In summary, the City's combined negative revenue variance of \$151,369 and positive expenditure variance of \$236,667 led to a 2014 General Fund operating gain of \$85,298. This number, when reduced by the 2014 carryovers of \$28,907, equals the total increase in fund balance of \$56,391 for fiscal year 2014.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2014, the City of Neenah had a net investment in capital assets of \$206,771,596, for all governmental and business-type activities of the City. This is a decrease of \$1,477,221 or .71%, from the end of 2013.

Major capital asset additions (before depreciation) that took place in the City's governmental activities include net additions to Land and Land Improvements (\$77,113), Improvements (\$497,023), Equipment, Furniture and Fixtures (\$110,162), Streets (\$886,602), Street Lighting/Traffic Signals (\$173,878) and Sidewalks/Trails (\$110,422). 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 (\$368,381). The City's Sewerage Disposal Utility saw a net increase in Collection System (\$342,851), while the Storm Water Utility also had a net addition in Collection System (\$58,155) and Detention Basins (\$62,957). The City's Parking Utility saw no major reduction in any categories in 2014. The following table provides a summary of the City's change in capital assets:

#### CITY OF NEENAH CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$12,748,936	\$12,718,486	\$280,447	\$280,447	\$13,029,383	\$12,998,933
Detention Ponds	-	-	3,400,156	3,400,156	3,400,156	3,400,156
Right-of-way	13,112,194	13,112,194	-	-	13,112,194	13,112,194
Land Improvements	10,326,161	10,279,498	-	-	10,326,161	10,279,498
Depreciable Capital Assets	148,346,638	146,410,148	103,944,998	103,023,030	252,291,636	249,433,178
Construction in progress	41,262	21,535	-	-	41,262	21,535
Total capital assets	184,575,191	182,541,861	107,625,601	106,703,633	292,200,792	289,245,494
Less accumulated depreciation	(55,586,753)	(53,153,673)	(29,842,443)	(27,843,004)	(85,429,196)	(80,996,677)
Capital assets net of depreciation	<u>\$128,988,438</u>	<u>\$129,388,188</u>	<u>\$77,783,158</u>	<u>\$78,860,629</u>	<u>\$206,771,596</u>	<u>\$208,248,817</u>

More detail regarding the City's capital assets can be found in Note IV (D) on pages 41 to 44 of this report.

# Management's Discussion and Analysis (Unaudited)

## Outstanding Debt

The City's outstanding general obligation debt (backed by the full faith and credit of City taxpayers) as of December 31, 2014 totaled \$46,507,998. The City also had revenue debt outstanding of \$33,193,999 backed by revenues generated from the Neenah Water Utility (\$22,270,691) and Storm Water Utility (\$393,588). The revenue debt total also includes \$10,529,720 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 \$22,544,141 owed to the City's Community Development Authority (CDA).

In 2014, the City issued \$4,685,000 in General Obligation Promissory Notes. Notes are debt instruments in which the debt principal will be paid off in ten years or less. Proceeds from the notes were authorized for use in the following manner:

City Capital Improvements Projects	\$2,695,000
Tax Incremental Financing Districts	535,000
Sanitary Sewer Utility	940,000
Storm Water Utility	<u>515,000</u>
	<u>\$4,685,000</u>

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 2014 equalized value of \$1,918,342,200, the City's statutory debt limit totaled \$95,917,110. The City was at 48.49% of its legal debt limit as of December 31, 2014.

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

### CITY OF NEENAH OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General obligation bonds and notes	\$37,821,664	\$39,562,952	\$8,686,334	\$8,400,430	\$46,507,998	\$47,963,382
Capital leases	22,544,141	22,987,673	-	-	22,544,141	22,987,673
Revenue bonds	-	-	33,193,999	34,720,202	33,193,999	34,720,202
Total	<u>\$60,365,805</u>	<u>\$62,550,625</u>	<u>\$41,880,333</u>	<u>\$ 43,120,632</u>	<u>\$102,246,138</u>	<u>\$ 105,671,257</u>

More detail regarding the City's outstanding debt can be found in Note IV (F) on pages 48 through 53 of this report.

# Management's Discussion and Analysis (Unaudited)

## ECONOMIC FACTORS, 2014 TAX RATES AND THE 2015 BUDGET

As we enter 2015, 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 2014. Entering 2015, 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 has gained nationwide attention, the State's Governor and Legislature implemented legislation in June 2011 to confront an estimated \$3.6 billion bi-annual budget deficit. The budget included large reductions in state shared revenue and transportation aids. The proposal also included reforms to public employee union collective bargaining to help offset the reductions in state aid. This included mandating employee contributions to pension and health insurance plans for government employees. Savings from the State collective bargaining reforms for non-public safety employees have been instrumental in offsetting state revenue reductions. In addition, labor negotiations with public safety employees generated additional savings affecting budget years 2012 to 2014.

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

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

The City's 2015 budget provided for an operating tax levy increase of 1.86% (before TIF), with a 2.60% increase after TIF. This translated into an assessed tax rate (after TIF) for City services of \$9.1856 per \$1,000 of assessed valuation (a 1.58% increase). The corresponding equalized tax rate is \$9.1884 per \$1,000 of equalized value (a .90% decrease).

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 2014 was 5.53%.

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

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

### **REQUESTS FOR FINANCIAL INFORMATION**

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

**CITY OF NEENAH**

STATEMENT OF NET POSITION  
As of December 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business- type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 11,794,063	\$ 8,754,595	\$ 20,548,658	\$ 31,512
Receivables (net)				
Taxes	20,710,156	20,000	20,730,156	99,521
Delinquent personal property	96,536	-	96,536	-
Special assessments	822,724	118,561	941,285	-
Loans	611,758	-	611,758	-
Accrued interest	39,631	-	39,631	69,343
Accounts	236,251	1,688,475	1,924,726	-
Unbilled revenues	-	1,592,087	1,592,087	-
Other	333,615	3,911	337,526	-
Internal balances	1,010,912	(1,010,912)	-	-
Due from component unit	2,331,786	-	2,331,786	-
Due from other governments	185,741	10,529,720	10,715,461	-
Lease receivable from primary government	-	-	-	22,544,142
Inventories	187,147	119,464	306,611	-
Prepaid items	78,870	1,462	80,332	-
Restricted Assets				
Cash and investments	-	2,309,708	2,309,708	2,331,786
Accrued interest	-	2,178	2,178	-
Deposit with risk pool	1,117,155	-	1,117,155	-
Other assets	-	258,685	258,685	-
Land held for resale	773,000	-	773,000	-
Capital Assets				
Land	12,748,936	280,447	13,029,383	-
Detention ponds	-	3,400,156	3,400,156	-
Right-of-way	13,112,194	-	13,112,194	-
Land improvements	10,326,161	-	10,326,161	-
Construction in progress	41,262	-	41,262	-
Depreciable capital assets, net	92,759,885	74,102,555	166,862,440	12,816
Total Assets	<u>169,317,783</u>	<u>102,171,092</u>	<u>271,488,875</u>	<u>25,089,120</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on advance refunding	<u>244,389</u>	<u>177,327</u>	<u>421,716</u>	<u>785,858</u>
<b>LIABILITIES</b>				
Accounts payable	1,199,125	165,823	1,364,948	-
Other accrued liabilities	746,913	107,112	854,025	69,343
Claims payable	581,279	-	581,279	-
Due to other governmental units	181	-	181	-
Due to primary government	-	-	-	2,331,786
Other liabilities	557,128	19,977	577,105	-
Unearned revenue	-	8,101	8,101	-
Liabilities Payable From Restricted Assets				
Current maturities of revenue debt	-	3,016,711	3,016,711	-
Accrued interest	-	79,484	79,484	-
Noncurrent Liabilities				
Due within one year	5,851,390	1,357,370	7,208,760	510,000
Due in more than one year	58,839,419	37,978,313	96,817,732	22,820,000
Total Liabilities	<u>67,775,435</u>	<u>42,732,891</u>	<u>110,508,326</u>	<u>25,731,129</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	<u>20,575,752</u>	<u>20,000</u>	<u>20,595,752</u>	<u>131,020</u>
<b>NET POSITION</b>				
Net investment in capital assets	83,027,527	47,296,614	129,212,427	12,816
Restricted for				
Debt service	2,501,691	1,023,145	3,524,836	-
TIF District No. 7	1,691,178	-	1,691,178	-
Loans	904,922	-	904,922	-
Grant programs	114,459	-	114,459	-
Library	1,345,503	-	1,345,503	-
Cemetery	1,269,375	-	1,269,375	-
Depreciation	-	250,000	250,000	-
Unrestricted (deficit)	<u>(9,643,670)</u>	<u>11,025,769</u>	<u>2,493,813</u>	<u>13</u>
<b>TOTAL NET POSITION</b>	<u>\$ 81,210,985</u>	<u>\$ 59,595,528</u>	<u>\$ 140,806,513</u>	<u>\$ 12,829</u>

See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 2,630,760	\$ 773,523	\$ -	\$ -
Public safety	11,754,383	298,118	250,770	-
Public works	6,956,331	158,357	-	145,743
Recycling	549,003	261,148	215,903	-
Parks, recreation, and education	4,813,270	1,407,843	306,325	9,337
Health and welfare	10,335	67,525	-	-
Community development	1,867,479	167,757	709,910	92,000
Interest and fiscal charges	1,934,432	-	-	-
Total Governmental Activities	<u>30,515,993</u>	<u>3,134,271</u>	<u>1,482,908</u>	<u>247,080</u>
Business-type Activities				
Water utility	5,640,643	8,000,288	-	15,268
Sewerage disposal utility	2,982,985	4,127,959	-	112,092
Stormwater utility	1,143,761	1,690,301	63,340	1,681
Parking utility	283,933	341,840	-	-
Total Business-type Activities	<u>10,051,322</u>	<u>14,160,388</u>	<u>63,340</u>	<u>129,041</u>
Total Primary Government	<u>\$ 40,567,315</u>	<u>\$ 17,294,659</u>	<u>\$ 1,546,248</u>	<u>\$ 376,121</u>
<b>Component Units - Business-type Activities</b>				
Business Improvement District	\$ 131,402	\$ -	\$ -	\$ -
Community Development Authority	899,549	-	-	-
Total Component Units	<u>\$ 1,030,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues  
 Taxes  
   Property taxes, levied for general purposes  
   Property taxes, levied for debt service  
   Property taxes, levied for TIF purposes  
   Other taxes  
 Intergovernmental revenues not restricted to specific programs  
 Investment income  
 Miscellaneous  
 Transfers  
 Total General Revenues and Transfers

**Change in net position**

NET POSITION - Beginning

**NET POSITION - Ending**

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Totals	
\$ (1,857,237)	\$ -	\$ (1,857,237)	\$ -
(11,205,495)	-	(11,205,495)	-
(6,652,231)	-	(6,652,231)	-
(71,952)	-	(71,952)	-
(3,089,765)	-	(3,089,765)	-
57,190	-	57,190	-
(897,812)	-	(897,812)	-
(1,934,432)	-	(1,934,432)	-
<u>(25,651,734)</u>	<u>-</u>	<u>(25,651,734)</u>	<u>-</u>
-	2,374,913	2,374,913	-
-	1,257,066	1,257,066	-
-	611,561	611,561	-
<u>-</u>	<u>57,907</u>	<u>57,907</u>	<u>-</u>
<u>-</u>	<u>4,301,447</u>	<u>4,301,447</u>	<u>-</u>
(25,651,734)	4,301,447	(21,350,287)	-
-	-	-	(131,402)
-	-	-	(899,549)
12,515,046	-	12,515,046	-
3,210,000	-	3,210,000	-
3,930,694	-	3,930,694	-
11,741	20,000	31,741	129,886
3,947,213	-	3,947,213	-
367,437	45,315	412,752	899,567
841,591	8,163	849,754	-
<u>2,255,743</u>	<u>(2,255,743)</u>	<u>-</u>	<u>-</u>
<u>27,079,465</u>	<u>(2,182,265)</u>	<u>24,897,200</u>	<u>1,029,453</u>
1,427,731	2,119,182	3,546,913	(1,498)
<u>79,783,254</u>	<u>57,476,346</u>	<u>137,259,600</u>	<u>14,327</u>
<u>\$ 81,210,985</u>	<u>\$ 59,595,528</u>	<u>\$ 140,806,513</u>	<u>\$ 12,829</u>

See accompanying notes to financial statements.

**CITY OF NEENAH**

BALANCE SHEET - GOVERNMENTAL FUNDS  
As of December 31, 2014

	General	Special Revenue - TIF District No. 8	Debt Service	Capital Projects - Public Infrastructure
<b>ASSETS</b>				
Cash and investments	\$ 3,065,460	\$ 6,891	\$ 13,171	\$ 2,728,207
Receivables (net)				
Taxes	12,888,828	1,331,392	3,314,391	-
Delinquent personal property	96,536	-	-	-
Special assessments	-	-	269,644	553,080
Loans	-	-	-	-
Accrued interest	39,631	-	-	-
Other	286,453	12,678	-	204
Due from other funds	1,066,137	-	-	19,900
Due from component unit	-	-	-	-
Due from other governments	32,977	-	-	-
Inventories	2,607	-	-	-
Prepaid items	31,904	-	-	-
Advances to other funds	-	30,000	2,620,000	1,266,000
<b>TOTAL ASSETS</b>	<b>\$ 17,510,533</b>	<b>\$ 1,380,961</b>	<b>\$ 6,217,206</b>	<b>\$ 4,567,391</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 348,275	\$ 548	\$ -	\$ 93,180
Other accrued liabilities	241,395	-	-	-
Due to other governmental units	181	-	-	-
Due to other funds	41,574	-	-	-
Other liabilities	-	-	-	480,307
Advances from other funds	-	4,868,100	-	-
<b>Total Liabilities</b>	<b>631,425</b>	<b>4,868,648</b>	<b>-</b>	<b>573,487</b>
<b>Deferred Inflows of Resources</b>				
Unearned revenue	12,845,363	1,331,392	3,210,000	-
Unavailable revenue	20,641	-	269,054	-
<b>Total Deferred Inflows of Resources</b>	<b>12,866,004</b>	<b>1,331,392</b>	<b>3,479,054</b>	<b>-</b>
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Delinquent personal property taxes	96,536	-	-	-
Inventories	2,607	-	-	-
Prepaid items	31,904	-	-	-
Non-current receivables/advances	-	30,000	-	1,266,000
Restricted	-	-	2,738,152	-
Committed	-	-	-	-
Assigned	134,959	-	-	2,727,904
Unassigned (deficit)	3,747,098	(4,849,079)	-	-
<b>Total Fund Balances</b>	<b>4,013,104</b>	<b>(4,819,079)</b>	<b>2,738,152</b>	<b>3,993,904</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 17,510,533</b>	<b>\$ 1,380,961</b>	<b>\$ 6,217,206</b>	<b>\$ 4,567,391</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.

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

Capital Projects - TIF District No. 7	Capital Projects - TIF District No. 8	Other Governmental Funds	Total Governmental Funds
\$ 169,813	\$ 60,141	\$ 5,386,541	\$ 11,430,224
-	-	3,175,545	20,710,156
-	-	-	96,536
-	-	-	822,724
-	-	611,758	611,758
-	-	-	39,631
-	-	34,280	333,615
-	-	-	1,086,037
-	2,331,786	-	2,331,786
-	-	152,764	185,741
-	-	-	2,607
-	-	4,465	36,369
<u>859,900</u>	<u>-</u>	<u>1,094,000</u>	<u>5,869,900</u>
<u>\$ 1,029,713</u>	<u>\$ 2,391,927</u>	<u>\$ 10,459,353</u>	<u>\$ 43,557,084</u>

\$ 5,000	\$ 27,975	\$ 423,696	\$ 898,674
-	-	-	241,395
-	-	-	181
-	-	58,551	100,125
-	-	76,821	557,128
<u>-</u>	<u>859,900</u>	<u>2,685,000</u>	<u>8,413,000</u>
<u>5,000</u>	<u>887,875</u>	<u>3,244,068</u>	<u>10,210,503</u>

-	-	3,175,361	20,562,116
-	-	-	289,695
-	-	<u>3,175,361</u>	<u>20,851,811</u>

-	-	-	96,536
-	-	-	2,607
-	-	4,465	36,369
-	-	-	1,296,000
1,024,713	1,504,052	5,003,340	10,270,257
-	-	1,057,197	1,057,197
-	-	514,651	3,377,514
-	-	(2,539,729)	(3,641,710)
<u>1,024,713</u>	<u>1,504,052</u>	<u>4,039,924</u>	<u>12,494,770</u>

\$ 1,029,713   \$ 2,391,927   \$ 10,459,353

128,988,438

773,000

289,695

1,355,148

(62,690,066)

\$ 81,210,985

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, 2014

	General	Special Revenue - TIF District No. 8	Debt Service	Capital Projects - Public Infrastructure
<b>REVENUES</b>				
Taxes	\$ 12,527,223	\$ 1,368,819	\$ 3,210,000	\$ -
Intergovernmental	3,858,375	205,775	109,478	-
Licenses and permits	243,559	-	-	-
Fines, forfeitures and penalties	92,372	-	-	-
Special assessments	-	-	244,090	-
Charges for services	2,590,284	-	-	-
Contributions	-	-	-	-
Investment income and miscellaneous	683,868	79,513	-	14,696
<b>Total Revenues</b>	<u>19,995,681</u>	<u>1,654,107</u>	<u>3,563,568</u>	<u>14,696</u>
<b>EXPENDITURES</b>				
Current				
General government	2,257,794	-	-	-
Public safety	10,841,651	-	-	-
Public works	4,189,970	-	-	-
Recycling	-	-	-	-
Parks, recreation, and education	3,961,212	-	-	-
Health and welfare	50	-	-	-
Community development	1,319,538	9,028	-	-
Other	291,005	-	-	-
Capital Outlay	-	-	-	1,374,689
Debt Service				
Principal retirement	-	443,532	4,971,288	-
Interest and fiscal charges	-	901,814	1,133,214	-
<b>Total Expenditures</b>	<u>22,861,220</u>	<u>1,354,374</u>	<u>6,104,502</u>	<u>1,374,689</u>
Excess (deficiency) of revenues over expenditures	<u>(2,865,539)</u>	<u>299,733</u>	<u>(2,540,934)</u>	<u>(1,359,993)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	45,300	1,265,000
Premium on debt	-	3,648	37,812	-
Sale of city property	84	-	-	-
Transfers in	2,933,846	-	3,350,514	-
Transfers out	(12,000)	(811,356)	-	(22,700)
<b>Total Other Financing Sources (Uses)</b>	<u>2,921,930</u>	<u>(807,708)</u>	<u>3,433,626</u>	<u>1,242,300</u>
<b>Net Change in Fund Balance</b>	56,391	(507,975)	892,692	(117,693)
FUND BALANCES (DEFICIT) - Beginning	<u>3,956,713</u>	<u>(4,311,104)</u>	<u>1,845,460</u>	<u>4,111,597</u>
<b>FUND BALANCES (DEFICIT) - ENDING</b>	<u>\$ 4,013,104</u>	<u>\$ (4,819,079)</u>	<u>\$ 2,738,152</u>	<u>\$ 3,993,904</u>

Capital Projects - TIF District No. 7	Capital Projects - TIF District No. 8	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,823,023	\$ 19,929,065
-	92,000	985,346	5,250,974
-	-	-	243,559
-	-	-	92,372
-	-	-	244,090
-	-	-	2,590,284
-	-	315,592	315,592
-	-	338,278	1,116,355
-	92,000	4,462,239	29,782,291
-	-	-	2,257,794
-	-	89,152	10,930,803
-	-	-	4,189,970
-	-	583,230	583,230
-	-	104,275	4,065,487
-	-	9,158	9,208
-	-	492,397	1,820,963
-	-	-	291,005
25,325	70,653	2,430,611	3,901,278
-	-	-	5,414,820
-	-	2,394	2,037,422
25,325	70,653	3,711,217	35,501,980
(25,325)	21,347	751,022	(5,719,689)
35,000	260,000	1,624,700	3,230,000
-	-	3,858	45,318
-	-	10,513	10,597
-	98,000	34,700	6,417,060
-	-	(3,045,261)	(3,891,317)
35,000	358,000	(1,371,490)	5,811,658
9,675	379,347	(620,468)	91,969
1,015,038	1,124,705	4,660,392	12,402,801
\$ 1,024,713	\$ 1,504,052	\$ 4,039,924	\$ 12,494,770

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, 2014

Net change in fund balances - total governmental funds	\$	91,969
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		3,901,278
Some items are reported as capital outlay but are not capitalized		(366,154)
Depreciation is reported in the government-wide statements		(3,801,474)
Net book value of assets retired		(133,400)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
		(100,317)
<p>Debt and leases issued provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments (\$4,971,288 for principal of general obligation debt and \$443,532 for principal of capital lease) exceeded issues (\$3,230,000 for general obligation debt)</p>		
		2,184,820
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as 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.</p>		
		89,037
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		25,287
Accrued interest on debt		15,934
Other post-employment benefits		(37,111)
Amortization of loss on advance refunding		(47,301)
<p>Internal service funds are used by management to charge the costs of self insurance and central equipment agency costs to individual funds. The decrease in net position of the internal service funds is reported with governmental activities.</p>		
		<u>(394,837)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>1,427,731</u></b>

See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
As of December 31, 2014

	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>						
Current Assets						
Cash and investments	\$ 4,160,945	\$ 1,605,342	\$ 2,769,147	\$ 219,161	\$ 8,754,595	\$ 363,839
Taxes receivable	-	-	-	20,000	20,000	-
Accounts receivable	920,058	517,728	237,270	13,419	1,688,475	236,251
Unbilled revenues	944,095	506,034	141,958	-	1,592,087	-
Other accounts receivable	3,911	-	-	-	3,911	-
Due from other funds	-	41,349	225	-	41,574	27,970
Inventories	118,744	-	-	720	119,464	184,540
Prepaid items	1,462	-	-	-	1,462	42,501
Current portion of due from other governments	-	464,256	-	-	464,256	-
Other assets	569	-	-	-	569	-
Restricted Assets						
Bond redemption account	1,073,851	-	26,600	-	1,100,451	-
Total Current Assets	<u>7,223,635</u>	<u>3,134,709</u>	<u>3,175,200</u>	<u>253,300</u>	<u>13,786,844</u>	<u>855,101</u>
Non-Current Assets						
Restricted Assets						
Bond depreciation account	250,000	-	-	-	250,000	-
Bond reserve account	959,257	-	-	-	959,257	-
Interest receivable	2,178	-	-	-	2,178	-
Deposit with risk pool	-	-	-	-	-	1,117,155
Capital Assets						
Land	122,180	-	-	158,267	280,447	-
Detention ponds	-	-	3,400,156	-	3,400,156	-
Plant in service	60,120,634	25,896,632	17,826,623	101,109	103,944,998	-
Accumulated depreciation	(14,780,069)	(8,996,358)	(5,977,649)	(88,367)	(29,842,443)	-
Advances to other funds	-	-	-	-	-	2,543,100
Due from other governments	-	10,065,464	-	-	10,065,464	-
Other Assets						
Special assessments	-	114,821	3,740	-	118,561	-
Deferred loss on retirement	258,116	-	-	-	258,116	-
Total Non-Current Assets	<u>46,932,296</u>	<u>27,080,559</u>	<u>15,252,870</u>	<u>171,009</u>	<u>89,436,734</u>	<u>3,660,255</u>
Total Assets	<u>54,155,931</u>	<u>30,215,268</u>	<u>18,428,070</u>	<u>424,309</u>	<u>103,223,578</u>	<u>4,515,356</u>
Deferred Outflows of Resources						
Unamortized loss on advance refunding	108,368	27,299	41,660	-	177,327	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 54,264,299</u>	<u>\$ 30,242,567</u>	<u>\$ 18,469,730</u>	<u>\$ 424,309</u>	<u>\$ 103,400,905</u>	<u>\$ 4,515,356</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 104,311	\$ 28,058	\$ 13,594	\$ 19,860	\$ 165,823	\$ 300,451
Other accrued liabilities	-	49,118	24,821	33,173	107,112	-
Claims payable	-	-	-	-	-	581,279
Due to other funds	1,052,486	-	-	-	1,052,486	2,970
Other current liabilities	19,977	-	-	-	19,977	-
Unearned revenue	8,101	-	-	-	8,101	-
Compensated absences	19,968	-	-	-	19,968	896,830
General obligation debt	-	874,113	463,289	-	1,337,402	-
<b>Current Liabilities Payable From Restricted Assets</b>						
Current maturities of revenue debt	2,531,529	464,256	20,926	-	3,016,711	-
Accrued interest	77,416	-	2,068	-	79,484	-
<b>Total Current Liabilities</b>	<b>3,813,788</b>	<b>1,415,545</b>	<b>524,698</b>	<b>53,033</b>	<b>5,807,064</b>	<b>1,781,530</b>
<b>Noncurrent Liabilities</b>						
General obligation debt payable	-	5,144,495	2,204,437	-	7,348,932	-
Revenue debt	19,739,162	10,065,464	372,662	-	30,177,288	-
Unamortized debt premium	141,340	74,142	57,032	-	272,514	-
Compensated absences	135,189	-	-	-	135,189	1,347,591
Other post-employment benefits	30,307	3,643	7,779	2,661	44,390	17,451
<b>Total Noncurrent Liabilities</b>	<b>20,045,998</b>	<b>15,287,744</b>	<b>2,641,910</b>	<b>2,661</b>	<b>37,978,313</b>	<b>1,365,042</b>
<b>Total Liabilities</b>	<b>23,859,786</b>	<b>16,703,289</b>	<b>3,166,608</b>	<b>55,694</b>	<b>43,785,377</b>	<b>3,146,572</b>
<b>Deferred Inflows of Resources</b>						
Unearned revenue	-	-	-	20,000	20,000	13,636
<b>NET POSITION</b>						
Net investment in capital assets	24,118,339	10,834,823	12,172,443	171,009	47,296,614	-
Restricted for debt service	998,613	-	24,532	-	1,023,145	-
Restricted for depreciation	250,000	-	-	-	250,000	-
Unrestricted	5,037,561	2,704,455	3,106,147	177,606	11,025,769	1,355,148
<b>TOTAL NET POSITION</b>	<b>\$ 30,404,513</b>	<b>\$ 13,539,278</b>	<b>\$ 15,303,122</b>	<b>\$ 348,615</b>	<b>\$ 59,595,528</b>	<b>\$ 1,355,148</b>

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, 2014

	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	\$ -	39,367	\$ 16,047	\$ 341,840	\$ 397,254	\$ -
Charges for services	7,707,018	4,088,592	1,663,589	-	13,459,199	10,157,974
Miscellaneous operating income	293,270	-	10,665	-	303,935	-
Total Operating Revenues	<u>8,000,288</u>	<u>4,127,959</u>	<u>1,690,301</u>	<u>341,840</u>	<u>14,160,388</u>	<u>10,157,974</u>
<b>OPERATING EXPENSES</b>						
Utility operations	3,289,327	2,227,305	781,650	283,205	6,581,487	-
Administration	-	261,721	54,578	-	316,299	-
Depreciation	1,567,831	362,557	233,133	728	2,164,249	-
Other	129,059	-	-	-	129,059	10,282,811
Total Operating Expenses	<u>4,986,217</u>	<u>2,851,583</u>	<u>1,069,361</u>	<u>283,933</u>	<u>9,191,094</u>	<u>10,282,811</u>
Operating Income (Loss)	<u>3,014,071</u>	<u>1,276,376</u>	<u>620,940</u>	<u>57,907</u>	<u>4,969,294</u>	<u>(124,837)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	34,932	6,959	3,424	-	45,315	-
Intergovernmental grant	-	-	63,340	-	63,340	-
Unrealized gain	1,804	-	-	-	1,804	-
Taxes	-	-	-	20,000	20,000	-
Miscellaneous non-operating income	6,309	50	-	-	6,359	-
Loss on sale of capital asset	(54,968)	-	-	-	(54,968)	-
Interest expense	(600,647)	(131,897)	(72,891)	-	(805,435)	-
Amortization of loss on advance refunding	(18,140)	(5,284)	(8,063)	-	(31,487)	-
Debt issuance costs	-	(8,191)	(4,488)	-	(12,679)	-
Amortization of premium	19,329	13,970	11,042	-	44,341	-
Total Nonoperating Revenues (Expenses)	<u>(611,381)</u>	<u>(124,393)</u>	<u>(7,636)</u>	<u>20,000</u>	<u>(723,410)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	2,402,690	1,151,983	613,304	77,907	4,245,884	(124,837)
Capital contributions	15,268	112,092	1,681	-	129,041	-
Transfers out	(32,274)	(694,824)	(334,398)	(141,610)	(1,203,106)	(270,000)
Transfers - tax equivalent	(1,052,637)	-	-	-	(1,052,637)	-
<b>Change in Net Position</b>	<u>1,333,047</u>	<u>569,251</u>	<u>280,587</u>	<u>(63,703)</u>	<u>2,119,182</u>	<u>(394,837)</u>
TOTAL NET POSITION - Beginning	<u>29,071,466</u>	<u>12,970,027</u>	<u>15,022,535</u>	<u>412,318</u>	<u>57,476,346</u>	<u>1,749,985</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 30,404,513</u>	<u>\$ 13,539,278</u>	<u>\$ 15,303,122</u>	<u>\$ 348,615</u>	<u>\$ 59,595,528</u>	<u>\$ 1,355,148</u>

See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2014

	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	\$ 7,978,612	\$ 3,982,499	\$ 1,670,848	\$ 331,866	\$ 13,963,825	\$ 10,095,585
Paid to suppliers for good and services	(2,146,448)	(2,359,973)	(566,215)	(285,541)	(5,358,177)	(10,425,989)
Paid to employees	(1,113,762)	(110,311)	(269,537)	-	(1,493,610)	-
Net Cash Provided (Used) by Operating Activities	<u>4,718,402</u>	<u>1,512,215</u>	<u>835,096</u>	<u>46,325</u>	<u>7,112,038</u>	<u>(330,404)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances for cash deficits	-	-	-	-	-	602,900
Paid to municipality for tax equivalent	(1,093,481)	-	-	-	(1,093,481)	-
Transfers out	(32,274)	(694,824)	(334,398)	(141,610)	(1,203,106)	(270,000)
General property taxes	-	-	-	20,000	20,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,125,755)</u>	<u>(694,824)</u>	<u>(334,398)</u>	<u>(121,610)</u>	<u>(2,276,587)</u>	<u>332,900</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Additions to capital assets	(717,269)	(399,343)	(131,052)	-	(1,247,664)	-
Capital contributed by customers	9,535	369	1,681	-	11,585	-
Special assessments received	-	82,238	-	-	82,238	-
Long-term debt issued	-	940,000	515,000	-	1,455,000	-
Debt issuance costs and premiums	-	4,997	2,738	-	7,735	-
Principal paid on long-term debt	(2,415,418)	(766,120)	(423,261)	-	(3,604,799)	-
Interest paid on long-term debt	(608,530)	(131,518)	(72,524)	-	(812,572)	-
Net Cash Used by Capital and Related Financing Activities	<u>(3,731,682)</u>	<u>(269,377)</u>	<u>(107,418)</u>	<u>-</u>	<u>(4,108,477)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment income	33,172	6,959	3,424	-	43,555	-
Investments sold and matured	299,654	-	-	-	299,654	-
Investments purchased	(260,635)	-	-	-	(260,635)	-
Net Cash Provided by Investing Activities	<u>72,191</u>	<u>6,959</u>	<u>3,424</u>	<u>-</u>	<u>82,574</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(66,844)</u>	<u>554,973</u>	<u>396,704</u>	<u>(75,285)</u>	<u>809,548</u>	<u>2,496</u>
CASH AND CASH EQUIVALENTS - Beginning	<u>6,010,463</u>	<u>1,050,369</u>	<u>2,399,043</u>	<u>294,446</u>	<u>9,754,321</u>	<u>361,343</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<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>

	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)	\$ 3,014,071	\$ 1,276,376	\$ 620,940	\$ 57,907	\$ 4,969,294	\$ (124,837)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities						
Nonoperating income	6,309	50	-	-	6,359	-
Depreciation expense	1,567,831	362,557	233,133	728	2,164,249	-
Depreciation charged to sewer utility	118,993	-	-	-	118,993	-
Amortization of loss on retirement	129,059	-	-	-	129,059	-
Changes in Assets, Liabilities, and Deferred Inflows						
Accounts receivable	(114,614)	(141,597)	(19,228)	(9,974)	(285,413)	(35,853)
Other accounts receivable	421	270,630	-	-	271,051	-
Due from other funds	-	(3,913)	(225)	-	(4,138)	(25,870)
Inventories	805	-	-	(201)	604	19,103
Prepaid items	906	-	-	-	906	3,704
Accounts payable	22,149	(251,888)	11,704	4,395	(213,640)	(193,171)
Claims payable	-	-	-	-	-	29,160
Due to other funds	-	-	-	-	-	(6,030)
Other current liabilities	(46,472)	-	(11,228)	(6,953)	(64,653)	-
Unearned revenues	1,101	-	-	-	1,101	(666)
Compensated absences	12,816	-	-	-	12,816	1,055
Other post-employment benefits	5,027	-	-	423	5,450	3,001
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 4,718,402</b>	<b>\$ 1,512,215</b>	<b>\$ 835,096</b>	<b>\$ 46,325</b>	<b>\$ 7,112,038</b>	<b>\$ (330,404)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>						
Cash and investments	\$ 4,160,945	\$ 1,605,342	\$ 2,769,147	\$ 219,161	\$ 8,754,595	\$ 363,839
Restricted cash and investments						
Bond redemption account	1,073,851	-	26,600	-	1,100,451	-
Bond depreciation account	250,000	-	-	-	250,000	-
Bond reserve account	959,257	-	-	-	959,257	-
Total Cash and Investments	6,444,053	1,605,342	2,795,747	219,161	11,064,303	363,839
Less: Noncash Equivalents	(500,434)	-	-	-	(500,434)	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 5,943,619</b>	<b>\$ 1,605,342</b>	<b>\$ 2,795,747</b>	<b>\$ 219,161</b>	<b>\$ 10,563,869</b>	<b>\$ 363,839</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Developer and customer financed additions to utility plant	\$ 5,733	\$ -	\$ -	\$ -	\$ 5,733	\$ -
Unrealized gain on investments	\$ 1,804	\$ -	\$ -	\$ -	\$ 1,804	\$ -
Capital costs special assessed to customers	\$ -	\$ 111,723	\$ -	\$ -	\$ 111,723	\$ -
Debt issued on behalf of NMSC	\$ -	\$ 1,332,223	\$ -	\$ -	\$ 1,332,223	\$ -
Principal paid by NMSC	\$ -	\$ (422,723)	\$ -	\$ -	\$ (422,723)	\$ -
Planning grant accrued	\$ -	\$ -	\$ 63,340	\$ -	\$ 63,340	\$ -

See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
As of December 31, 2014

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 22,796,270
Property taxes receivable	5,942,961
Accounts receivable	6,681
Due from other governmental units	<u>258,450</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 29,004,362</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 103,846
Accrued liabilities	1,393,083
Due to other governmental units	27,296,800
Advances from other governmental units	<u>210,633</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 29,004,362</u></b>

See accompanying notes to financial statements.

## CITY OF NEENAH

### STATEMENT OF NET POSITION COMPONENT UNITS As of December 31, 2014

	Business Improvement District	Community Development Authority	Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Current Assets			
Cash and investments	\$ 31,512	\$ -	\$ 31,512
Receivables			
Taxes	99,521	-	99,521
Accrued interest	-	69,343	69,343
Total Current Assets	<u>131,033</u>	<u>69,343</u>	<u>200,376</u>
Noncurrent Assets			
Lease receivable from primary government	-	22,544,142	22,544,142
Restricted cash and investments	-	2,331,786	2,331,786
Capital Assets			
Depreciable capital assets	25,500	-	25,500
Less accumulated depreciation	<u>(12,684)</u>	<u>-</u>	<u>(12,684)</u>
Total Noncurrent Assets	<u>12,816</u>	<u>24,875,928</u>	<u>24,888,744</u>
Total Assets	<u>143,849</u>	<u>24,945,271</u>	<u>25,089,120</u>
Deferred Outflows of Resources			
Unamortized loss on advance refunding	-	785,858	785,858
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
Current Liabilities			
Other accrued liabilities	-	69,343	69,343
Lease revenue bonds payable	-	510,000	510,000
Due to primary government	-	2,331,786	2,331,786
Total Current Liabilities	<u>-</u>	<u>2,911,129</u>	<u>2,911,129</u>
Noncurrent Liabilities			
Lease revenue bonds payable	-	22,820,000	22,820,000
Total Liabilities	<u>-</u>	<u>25,731,129</u>	<u>25,731,129</u>
Deferred Inflows of Resources			
Unearned revenue	<u>131,020</u>	<u>-</u>	<u>131,020</u>
<b>NET POSITION</b>			
Net investment in capital assets	12,816	-	12,816
Unrestricted	<u>13</u>	<u>-</u>	<u>13</u>
<b>TOTAL NET POSITION</b>	<u>\$ 12,829</u>	<u>\$ -</u>	<u>\$ 12,829</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, 2014

	<u>Business Improvement District</u>	<u>Community Development Authority</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Taxes	\$ 129,886	\$ -	\$ 129,886
<b>OPERATING EXPENSES</b>			
Current			
Conservation and development	129,885	-	129,885
Depreciation	1,517	-	1,517
Total Operating Expenses	<u>131,402</u>	<u>-</u>	<u>131,402</u>
Operating Loss	<u>(1,516)</u>	<u>-</u>	<u>(1,516)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	18	899,549	899,567
Interest expense	-	(843,080)	(843,080)
Amortization of loss on advance refunding	-	(56,469)	(56,469)
Total Nonoperating Revenues (Expenses)	<u>18</u>	<u>-</u>	<u>18</u>
<b>Net Change in Net Position</b>	<b>(1,498)</b>	<b>-</b>	<b>(1,498)</b>
TOTAL NET POSITION - Beginning	<u>14,327</u>	<u>-</u>	<u>14,327</u>
<b>TOTAL NET POSITION - ENDING</b>	<b><u>\$ 12,829</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,829</u></b>

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, 2014

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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, 2014

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

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#### A. REPORTING ENTITY (cont.)

##### ***Discretely Presented Component Units***

###### *City of Neenah Business Improvement District*

The financial statements include the City of Neenah Business Improvement District (“BID”) as a component unit. The BID is a legally separate organization. The district was created under the provisions of Wisconsin Statute Section 66.1109. The district, created in 2001, is a separate governmental entity with a separate 11 member board appointed by the mayor subject to common council confirmation. The members serve staggered terms as designated by the City Council. A majority of the members own or occupy real property in the district. The district has its own budgetary authority and assessment capabilities. Wisconsin statutes provide for circumstances whereby the City can impose their will on the BID, and also create a potential financial benefit or burden on the City. See Note IV.J. As a component unit, the district’s financial statements are shown as one discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2014. Separate financial statements may be obtained from the district’s office at 135 West Wisconsin, Neenah, Wisconsin 54957.

###### *Neenah Community Development Authority*

The government-wide financial statements include the Neenah Community Development Authority (“Authority”) as a component unit. The Authority is a legally separate organization. The board of the Authority is appointed by the mayor of Neenah. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the Authority, and also create a potential financial benefit to or burden on the City. See Note IV.J. As a component unit, the Authority’s financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2014. Separate financial statements of the Neenah Community Development Authority are not issued.

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

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

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.

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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

##### ***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.
- Capital Projects – TIF District No. 7 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.
- Capital Projects – TIF District No. 8 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

The City reports the following major enterprise funds:

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

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

##### ***Fund Financial Statements*** (cont.)

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- TIF District No. 5
- TIF District No. 6
- TIF District No. 7
- Community Development Block Grant
- Housing and Business Loans
- Industrial Development
- Recycling
- Health Grants
- Parks and Recreation
- Dial-A-Ride
- Civic and Social
- Library
- Clock Tower Renovations
- Other
- Cemetery Perpetual Care
- Cemetery Flowers
- Walnut

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

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

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

- Parking Utility

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

##### ***Fund Financial Statements*** (cont.)

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, 2014

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

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

##### ***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, 2014, 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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

---

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

##### ***Fund Financial Statements*** (cont.)

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewerage disposal, parking and stormwater funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### ***All Financial Statements***

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

#### **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, 2014

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### 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, 2014

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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.)***

##### ***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, 2014, 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 – 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	March 31, 2015
Third installment due	May 31, 2015
Fourth installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale – 2014 delinquent real estate taxes	October 2017

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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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.)**

##### **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 fund balance account, if the funds will ultimately be restricted 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 \$67,979 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, 2014, the City has not exceeded the maximum amount that it may retain or time established. 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, 2014

---

### 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, 2014

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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.)**

##### **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, 2014

---

### 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.)**

##### **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, 2014 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, 2014

### 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	\$ 83,027,527	\$ 47,296,614	\$ (1,111,714)	\$ 129,212,427
Unrestricted (deficit)	(9,643,670)	11,025,769	1,111,714	2,493,813

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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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 are not considered restricted or committed. Fund balance may be assigned through the following; 1) The City has adopted a financial policy authorizing the Common Council to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- 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, 2014

### 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 \$62,690,066 difference in liabilities are as follows:

Bonds and notes payable	\$ 37,821,664
Capital lease obligations	22,544,141
Compensated absences	1,481,252
Accrued interest	505,518*
Unamortized debt premiums	329,973
Unamortized loss on advance refunding	(244,389)
Other post-employment benefits	<u>251,907</u>
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$ 62,690,066</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 the Walnut and Clock Tower Renovations funds, debt service fund, and all capital project funds. The redevelopment capital project fund was budgeted; however, it was a zero budget as no activity was anticipated. Therefore, comparative schedules are not presented in supplementary information. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

#### B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

The following individual funds had an excess of expenditures and other financing uses over appropriations at the legal level of budgetary control for the year ended December 31, 2014.

	Excess
Special Revenue Funds	
TIF District No. 6	\$ 1,132,142
TIF District No. 7	95,306
Community Development Block Grant	153,496
Recycling	53,030
Health Grants	4,657
Parks and Recreation	10,867
Civic and Social	1,607
Library	408
Other	10,809
Debt Service	1,017,578

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### **B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS (cont.)**

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

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

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

As of December 31, 2014, the following nonmajor individual funds held a deficit balance:

Fund	Amount	Reason
Special Revenue Funds		
TIF District No. 5	\$ 747,159	Costs exceed accumulated increments
TIF District No. 6	1,792,570	Costs exceed accumulated increments

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.

#### **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 2014 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, 2014:

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	01/01/2015
Automobile	10,000,000	01/01/2015
<i>Local Government Property Insurance Fund</i>		
Property (entire city)	134,818,939	01/01/2015

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, 2014

### 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	\$ 8,000,288	\$ 1,690,301
Investment income	34,932	3,424
Intergovernmental grant	-	63,340
Miscellaneous non-operating income	6,309	-
Less: Operation and maintenance expenses	(3,289,327)	(836,228)
Net Defined Earnings	\$ 4,752,202	\$ 920,837
Minimum Required Earnings per Resolution:		
Debt service	\$ 3,075,992	\$ 33,016
Coverage factor	1.25	1.1
Minimum Required Earnings	\$ 3,844,994	\$ 36,318

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

The water utility has the following number of customers and billed volumes for 2014.

	Customers	Sales (000 gals)
	2014	2014
Residential	9,595	396,547
Commercial	749	179,220
Industrial	91	296,498
Public authority	56	18,312
Totals	10,491	890,577

##### **Utility Budget**

The 2014 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, 2014

#### 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	\$ 7,688,243	\$ 8,248,503	Custodial credit
Money markets	2,890,845	2,890,759	Custodial credit
U.S. agencies implicitly guaranteed	4,836,847	4,836,847	Custodial credit, credit, interest rate and highly sensitive to interest rate changes
U.S. agencies explicitly guaranteed	1,352,891	1,352,891	Custodial credit, interest rate and highly sensitive to interest rate changes
U.S. treasuries	1,654,413	1,654,413	Custodial credit and interest rate
Corporate bonds and notes	2,033,182	2,033,182	Custodial credit, credit, and interest rate
Common stock	474,779	474,779	Custodial credit
State and local bonds	967,563	967,563	Custodial credit, credit and interest rate
Repurchase agreements	15,031,168	15,031,168	Custodial credit, credit and interest rate
LGIP	8,021,504	8,021,504	Credit
Mutual funds	703,201	703,201	Credit and interest rate
Total Cash and Investments	\$ 45,654,636	\$ 46,214,810	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 20,548,658		
Restricted cash and investments	2,309,708		
Per statement of assets and liabilities			
– Agency Funds	22,796,270		
Total Cash and Investments	\$ 45,654,636		

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, 2014

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

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#### 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, 2014, \$462,701 of the City's total bank balances of \$11,139,262 were exposed to custodial credit risk.

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

As of December 31, 2014, the City does not have any investments exposed to custodial credit risk.

##### **Credit Risk**

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

As of December 31, 2014, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poor's</u>	<u>Moody's Investor Service</u>
<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
General Electric Cap Corporation	AA+	Not available
Toyota Mtr Credit Corporation	AA-	Aa3
Microsoft Corporation	AAA	Aaa
Coca Cola Corporation	AA-	Aa3
<b>State and Local Bonds</b>		
State of Wisconsin	AA-	Aa3
State of Wisconsin - Department of Transportation	AA+	Aa2
Oklahoma City Tax	AAA	Aaa
<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

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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

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

**Credit Risk (cont.)**

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

LGIP

**Interest Rate Risk**

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

As of December 31, 2014, the City's investments were as follows:

Specific Investment	Maturity Date	Fair Value
<b>Mutual Funds</b>		
Templeton Institutional Fds Inc Foreign	Not applicable	\$ 37,506
Vanguard Extended Market Index Fd Invest	Not applicable	77,071
Vanguard Index TR 500 Admiral Shs	Not applicable	588,624
Sub-Total – Mutual Funds		<u>703,201</u>
<b>Repurchase Agreements</b>		
Associated Bank	Not applicable	15,031,168
Total		<u>\$ 15,734,369</u>

Investment Type	Fair Value	1-5 Years	5-30 Years
U.S. Agencies Implicitly Guaranteed	\$ 4,836,847	\$ 1,548,416	\$ 3,288,431
U.S. Agencies Explicitly Guaranteed	1,352,891	241,395	1,111,496
U.S. Treasuries	1,654,413	1,346,290	308,123
Corporate Bonds and Notes	2,033,182	543,873	1,489,309
State and Local Bonds	967,563	277,005	690,558
Totals	<u>\$ 10,844,896</u>	<u>\$ 3,956,979</u>	<u>\$ 6,887,917</u>

**Investments Highly Sensitive to Interest Rate Charges**

At December 31, 2014, \$3,827,465 of the \$6,887,917 reported above had maturity dates beyond ten years classifying them as highly sensitive to interest rate charges.

**B. RECEIVABLES**

All receivable balances are expected to be collected within one year with the exception of \$96,536 in delinquent personal property taxes; \$658,179 in special assessments; and \$611,758 of loans receivable.

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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

**B. RECEIVABLES (cont.)**

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	\$ -	\$ 20,524,616
Special assessments/special charges not yet due	289,695	-
Unearned revenue: pet licenses, rent	-	37,500
 Total Unavailable/Unearned Revenue for Governmental Funds	 \$ 289,695	 \$ 20,562,116

On the statement of net position, \$13,636 of unearned revenue is reported from the internal service funds for total unearned revenue of \$20,575,752.

**C. RESTRICTED ASSETS**

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

**Long Term Debt Accounts**

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

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

	2014
Restricted Assets	
Redemption account	\$ 1,100,451
Depreciation account	250,000
Reserve account	959,257
Interest receivable	2,178
Total Restricted Assets	2,311,886
Less: Restricted Assets Not Funded by Revenues	
Reserve from borrowing	(959,257)
Total Restricted Assets Not Funded by Revenues	1,352,629
Current Liabilities Payable From Restricted Assets	(79,484)
Total Restricted Net Position	\$ 1,273,145

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 12,718,486	\$ 30,450	\$ -	\$ 12,748,936
Right-of-ways	13,112,194	-	-	13,112,194
Land improvements <sup>(1)</sup>	10,279,498	67,063	20,400	10,326,161
Construction in progress	21,535	72,557	52,830	41,262
Total Capital Assets Not Being Depreciated	36,131,713	170,070	73,230	36,228,553
Capital assets being depreciated				
Improvements	11,246,749	497,023	-	11,743,772
Buildings	35,722,707	-	-	35,722,707
Equipment, furniture and fixtures	13,097,031	904,223	794,061	13,207,193
Collections (library)	3,524,479	433,137	274,734	3,682,882
Streets	52,861,663	1,274,201	387,599	53,748,265
Bridges	20,010,198	-	-	20,010,198
Street lighting	833,721	75,270	-	908,991
Traffic signals	1,104,379	123,608	25,000	1,202,987
Sidewalks	5,686,545	52,830	-	5,739,375
Trails	627,301	57,592	-	684,893
Retaining walls	1,305,001	-	-	1,305,001
Steam tunnel	390,374	-	-	390,374
Total Capital Assets Being Depreciated	146,410,148	3,417,884	1,481,394	148,346,638
Less: Accumulated depreciation for				
Improvements	(4,219,009)	(475,445)	-	(4,694,454)
Buildings	(11,976,373)	(510,489)	-	(12,486,862)
Equipment, furniture and fixtures	(8,081,839)	(819,221)	714,684	(8,186,376)
Collections (library)	(3,100,612)	(441,896)	245,378	(3,297,130)
Streets <sup>(2)</sup>	(19,008,446)	(1,074,965)	407,999	(19,675,412)
Bridges	(2,838,594)	(285,860)	-	(3,124,454)
Street lighting	(146,711)	(11,116)	-	(157,827)
Traffic signals	(242,742)	(14,713)	333	(257,122)
Sidewalks	(3,235,603)	(114,788)	-	(3,350,391)
Trails	(186,407)	(17,122)	-	(203,529)
Retaining walls	(78,300)	(26,100)	-	(104,400)
Steam tunnel	(39,037)	(9,759)	-	(48,796)
Total Accumulated Depreciation	(53,153,673)	(3,801,474)	1,368,394	(55,586,753)
Capital Assets, Net of Depreciation	\$ 129,388,188			\$ 128,988,438

<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, 2014

**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	\$ 476,588
Public safety	214,489
Public works, which includes the depreciation of infrastructure	2,005,234
Parks, recreation, and education	<u>1,105,163</u>
Total Governmental Activities Depreciation Expense	<u>\$ 3,801,474</u>

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water Utility</u>				
Capital assets not being depreciated				
Land and land rights	\$ 122,180	\$ -	\$ -	\$ 122,180
Capital assets being depreciated				
Source of supply	130,978	-	-	130,978
Pumping	3,384,153	-	-	3,384,153
Treatment	23,848,486	79,614	75,015	23,853,085
Transmission and distribution	30,267,553	569,573	201,192	30,635,934
Administrative and general assets	<u>2,063,259</u>	<u>85,642</u>	<u>32,417</u>	<u>2,116,484</u>
Total Capital Assets Being Depreciated	<u>59,694,429</u>	<u>734,829</u>	<u>308,624</u>	<u>60,120,634</u>
Less: Accumulated depreciation for				
Source of supply	(130,598)	(381)	-	(130,978)
Pumping	(970,136)	(107,730)	-	(1,077,866)
Treatment	(6,815,875)	(862,238)	75,015	(7,603,099)
Transmission and distribution	(3,990,270)	(605,940)	201,190	(4,395,020)
Administrative and general assets	<u>(1,436,021)</u>	<u>(169,502)</u>	<u>32,417</u>	<u>(1,573,106)</u>
Total Accumulated Depreciation	<u>(13,342,900)</u>	<u>(1,745,791)</u>	<u>308,622</u>	<u>(14,780,069)</u>
Capital Assets, Net of Depreciation	<u>\$ 46,473,709</u>			<u>\$ 45,462,745</u>

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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

**D. CAPITAL ASSETS (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Sewerage Disposal Utility</b>				
Capital assets being depreciated				
Collection system	\$ 24,689,199	\$ 363,959	\$ 21,108	\$ 25,032,050
Collection system pumping	811,108	35,800	4,000	842,908
Flow meters	11,315	-	-	11,315
Computer software	10,359	-	-	10,359
Total Capital Assets	25,521,981	399,759	25,108	25,896,632
Being Depreciated	25,521,981	399,759	25,108	25,896,632
Less: Accumulated depreciation for				
Collection system	(8,350,388)	(349,794)	21,108	(8,679,074)
Collection system pumping	(298,890)	(10,338)	4,000	(305,228)
Flow meters	(566)	(1,131)	-	(1,697)
Computer software	(9,065)	(1,294)	-	(10,359)
Total Accumulated	(8,658,909)	(362,557)	25,108	(8,996,358)
Depreciation	(8,658,909)	(362,557)	25,108	(8,996,358)
Capital Assets, Net of	\$ 16,863,072			\$ 16,900,274
Depreciation				
<b>Stormwater Utility</b>				
Capital assets not being depreciated				
Detention ponds	\$ 3,400,156	\$ -	\$ -	\$ 3,400,156
Capital assets being depreciated				
Collection system	13,637,483	60,009	1,854	13,695,637
Detention basins	3,944,618	70,142	7,185	4,007,575
Detention pond equipment	113,052	-	-	113,052
Computer software	10,358	-	-	10,359
Total Capital Assets	17,705,511	130,151	9,039	17,826,623
Being Depreciated	17,705,511	130,151	9,039	17,826,623
Less: Accumulated depreciation for				
Collection system	(3,954,490)	(170,831)	1,854	(4,123,467)
Detention basins	(1,687,056)	(49,701)	7,185	(1,729,572)
Detention pond equipment	(102,946)	(11,305)	-	(114,251)
Computer software	(9,064)	(1,295)	-	(10,359)
Total Accumulated Depreciation	(5,753,556)	(233,132)	9,039	(5,977,649)
Capital Assets, Net of	\$ 15,352,111			\$ 15,249,130
Depreciation				

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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

**D. CAPITAL ASSETS (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Parking Utility</u>				
Capital assets not being depreciated				
Land and land rights	\$ 158,267	\$ -	\$ -	\$ 158,267
Capital assets being depreciated				
Land improvements	26,717	-	-	26,717
Administrative and general assets	74,392	-	-	74,392
Total Capital Assets Being Depreciated	101,109	-	-	101,109
Less: Accumulated depreciation for				
Land improvements	(26,717)	-	-	(26,717)
Administrative and general assets	(60,922)	(728)	-	(61,650)
Total Accumulated Depreciation	(87,639)	(728)	-	(88,367)
Capital Assets, Net of Depreciation	\$ 171,737			\$ 171,009
Total Business-type Activities	\$ 78,860,629			\$ 77,783,158

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 1,567,831
Sewerage disposal	362,557
Stormwater	233,133
Parking	728
Total Business-type Activities Depreciation Expense	\$ 2,164,249

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, 2014

**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	\$ 1,052,486
General	Community development block grant	13,651
Capital projects – public infrastructure	Redevelopment	19,900
Enterprise fund – sewerage disposal utility	General	41,349
Enterprise fund – stormwater utility	General	225
Internal service – benefit accrual	Internal service – information systems	2,970
Internal service – benefit accrual	Community development block grant	<u>25,000</u>
Sub-Total – Fund Financial Statements		1,155,581
Less: Elimination to government-wide statements		<u>(144,669)</u>
Total – Government-Wide Financial Statements		<u>\$ 1,010,912</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 1,052,486
Less: Business-type activities	Governmental activities	<u>(41,574)</u>
Total Internal Balances – Government-Wide Financial Statements		<u>\$ 1,010,912</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 \$1,052,637 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, 2014

**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 – public infrastructure	Special revenue – TIF District No. 8	375,000	375,000
Capital projects – TIF District No. 7	Capital projects – TIF District No. 8	859,900	859,900
Capital projects – TIF District No. 6	Special revenue – TIF District No. 6	49,000	49,000
Special revenue – TIF District No. 7	Special revenue – TIF District No. 6	1,045,000	1,045,000
Internal service – benefit accrual	Special revenue – TIF District No. 8	2,543,100	2,543,100
Debt service	Special revenue – TIF District No. 8	1,950,000	1,950,000
Debt service	Special revenue – TIF District No. 6	670,000	670,000
Special revenue – TIF District No. 8	Special revenue – TIF District No. 6	30,000	30,000
		<u>8,413,000</u>	<u>\$ 8,413,000</u>
Sub-Totals – Fund Financial Statements			
Less: Eliminations		<u>(8,413,000)</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	63,106	Administrative and finance costs
TIF District No. 5	Debt service	132,599	Debt service
TIF District No. 6	General fund	46,100	Administrative and finance costs
TIF District No. 6	Debt service	1,268,808	Debt service
TIF District No. 7	General fund	79,100	Administrative and finance costs
TIF District No. 7	Debt service	1,220,850	Debt service
TIF District No. 8	General fund	83,099	Administrative and finance costs
TIF District No. 8	Debt service	728,257	Debt service

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**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>			
Community development block grant	General fund	\$ 46,556	Administrative charge
Community development block grant	Capital projects – TIF District No 8	98,000	Grant funds
Housing/business loans	General fund	40,000	Administrative charge
Industrial development	General fund	5,000	Operating subsidy as budgeted
Recycling	General fund	22,090	Administrative charge
Other	General fund	6,551	K9 unit funds
Cemetery perpetual care	General fund	16,501	Interest
<b>Enterprise</b>			
Water utility	General fund	1,084,911	PILOT and interest
Sewerage disposal utility	General fund	694,824	2014 expenditures, interest, and administrative costs
Stormwater utility	General fund	334,398	City and public works support overhead
Parking utility	General fund	141,610	Administrative charges
<b>Internal Service</b>			
Fleet management	General fund	30,000	Accumulated reserves
Benefit accrual	General fund	200,000	Budgeted transfer
Information systems	General fund	40,000	Excess funds
<b>Capital Projects</b>			
Public infrastructure	Recycling	<u>22,700</u>	Budgeted transfer
Sub-Total – Fund Financial Statements		6,417,060	
Less: Fund Eliminations		<u>(4,161,317)</u>	
Total Transfers – Government-wide Statement of Activities		<u>\$ 2,255,743</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, 2014

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

**F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2014 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	\$ 39,562,952	\$ 3,230,000	\$ 4,971,288	\$ 37,821,664	\$ 4,130,716
Premiums	340,067	45,318	55,412	329,973	-
Sub-Totals	<u>39,903,019</u>	<u>3,275,318</u>	<u>5,026,700</u>	<u>38,151,637</u>	<u>4,130,716</u>
Other Liabilities					
Vested compensated absences					
General	1,506,539	351,348	376,635	1,481,252	370,313
Internal service	2,243,366	877,722	876,667	2,244,421	896,830
Other post-employment benefits					
General	214,796	37,111	-	251,907	-
Internal service	14,450	3,001	-	17,451	-
Capital leases	22,987,673	-	443,532	22,544,141	453,531
Premiums on capital leases	78,943	-	78,943	-	-
Total Other Liabilities	<u>27,045,767</u>	<u>1,269,182</u>	<u>1,775,777</u>	<u>26,539,172</u>	<u>1,720,674</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 66,948,786</u>	<u>\$ 4,544,500</u>	<u>\$ 6,802,477</u>	<u>\$ 64,690,809</u>	<u>\$ 5,851,390</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation debt					
General	\$ 8,400,430	\$ 1,455,000	\$ 1,169,096	\$ 8,686,334	\$ 1,337,402
Revenue bonds	34,720,202	1,332,223	2,858,426	33,193,999	3,016,711
Premiums	296,442	20,413	44,341	272,514	-
Sub-Totals	<u>43,417,074</u>	<u>2,807,636</u>	<u>4,071,863</u>	<u>42,152,847</u>	<u>4,354,113</u>
Other Liabilities:					
Vested compensated absences					
General	142,341	30,600	17,784	155,157	19,968
Other post-employment benefits	38,940	5,450	-	44,390	-
Total Other Liabilities	<u>181,281</u>	<u>36,050</u>	<u>17,784</u>	<u>199,547</u>	<u>19,968</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 43,598,355</u>	<u>\$ 2,843,686</u>	<u>\$ 4,089,647</u>	<u>\$ 42,352,394</u>	<u>\$ 4,374,081</u>

**General Obligation Debt**

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

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2014, was \$95,917,110. Total general obligation debt outstanding at year end was \$46,507,998.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-14
Governmental Activities					
General Obligation Debt					
General Obligation Promissory Notes 2014	05/28/14	09/01/24	2.00%	\$ 3,230,000	\$ 3,230,000
General Obligation Refunding Bonds 2013	03/01/13	03/01/20	2.00 - 3.00%	6,147,826	5,301,304
General Obligation Promissory Notes 2013	06/05/13	03/01/23	1.50 - 2.50%	3,765,000	3,635,000
General Obligation Taxable Refunding Bonds 2013	12/02/13	03/01/24	0.65 - 3.85%	1,030,000	935,000
General Obligation Promissory Notes, Series 2012A	06/27/12	03/01/22	1.25 - 2.00%	2,565,000	2,300,000
General Obligation Community Development Bonds, Series 2012B	06/27/12	03/01/31	2.75 - 3.30%	1,635,000	1,635,000
General Obligation Refunding Bonds, Series 2012C	12/03/12	03/01/26	2.00%	4,186,092	4,091,092
General Obligation Promissory Notes, Series 2011	01/26/11	09/01/20	1.50 - 2.90%	3,335,000	2,710,000
General Obligation Promissory Notes, Series 2010A	01/26/10	03/01/19	2.00 - 3.50%	1,965,000	1,275,000
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	470,000
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	1,495,000
General Obligation Promissory Notes, Series 2008A	05/28/08	03/01/18	3.25 - 4.00%	3,731,000	394,267
General Obligation Promissory Notes, Series 2007B	06/01/07	03/01/21	3.875%	2,820,000	2,030,000
General Obligation Community Development Bonds, Series 2006A	05/17/06	09/01/26	4.25 - 4.75%	7,175,000	880,000

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### 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 12-31-14
Governmental Activities General Obligation Debt (cont.)					
General Obligation Community Development Bonds, Series 2005A	05/03/05	03/01/25	3.00 - 4.50%	\$ 5,235,000	\$ 815,001
General Obligation Community Development Bonds, Series 2004C	06/01/04	03/01/23	4.00 - 5.00%	2,225,000	1,720,000
Total Governmental Activities – General Obligation Debt					\$ 37,821,664
General Obligation Promissory Note, Series 2014	05/28/14	09/01/24	2.00%	\$ 1,455,000	\$ 1,455,000
General Obligation Refunding Bonds, Series 2013	03/01/13	09/01/20	2.00 - 3.00%	1,397,174	1,263,696
General Obligation Promissory Note, Series 2013	06/05/13	03/01/20	1.50 - 2.00%	1,505,000	1,375,000
General Obligation Refunding Bonds, Series 2012C	12/03/12	03/01/26	2.00%	223,908	223,908
General Obligation Promissory Note, Series 2012	06/27/12	03/01/22	1.25 – 2.00%	1,390,000	1,135,000
General Obligation Promissory Notes, Series 2011	01/26/11	09/01/20	1.50 - 2.90%	1,660,000	1,175,000
General Obligation Promissory Notes, Series 2010	01/26/10	03/01/19	2.00 - 3.50%	810,000	480,000
Clean Water Fund General Obligation Debt	05/12/10	05/01/30	2.20%	411,652	342,998
General Obligation Promissory Notes, Series 2009A	06/10/09	03/01/19	2.00 - 4.00%	2,015,000	1,100,000
General Obligation Promissory Note, Series 2008A	05/28/08	03/01/18	3.250%	1,284,000	135,732
Total Business-type Activities General Obligation Debt					\$ 8,686,334

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt			Business-type Activities General Obligation Debt		
	Principal	Interest	Totals	Principal	Interest	Totals
2015	\$ 4,130,716	\$ 1,029,008	\$ 5,159,724	\$ 1,337,402	\$ 191,854	\$ 1,529,256
2016	4,344,836	899,127	5,243,963	1,383,681	154,731	1,538,412
2017	4,656,298	783,865	5,440,163	1,392,626	124,402	1,517,028
2018	4,689,814	658,219	5,348,033	1,244,526	92,820	1,337,346
2019	3,880,000	533,054	4,413,054	999,766	63,389	1,063,155
2020 - 2024	12,445,000	1,369,969	13,814,969	2,185,545	107,600	2,293,145
2025 - 2029	3,405,000	337,181	3,742,181	177,677	9,347	127,024
2030 - 2031	270,000	8,876	278,876	25,111	276	25,387
<b>Totals</b>	<b>\$ 37,821,664</b>	<b>\$ 5,619,299</b>	<b>\$ 43,440,963</b>	<b>\$ 8,686,334</b>	<b>\$ 744,419</b>	<b>\$ 9,430,753</b>

##### **Revenue Debt**

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

The water utility has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued between 2004-2013. Proceeds from the bonds provided financing for the water utility. The bonds are payable solely from sales revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 26% of gross revenues on average. The total principal and interest remaining to be paid on the bonds is \$25,157,945. Principal and interest paid for the current year and total customer gross revenues were \$3,023,948 and \$8,041,529, 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 2014 was \$33,016. Total customer gross revenues as defined for the same period were \$1,757,065. Annual principal and interest payments are expected to require 2% of gross revenues on average.

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

##### *Revenue Debt* (cont.)

Revenue debt payable at December 31, 2014 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-14
<i>Business-type Activities Revenue Debt</i>					
<i>Water Utility</i>					
Water Utility Revenue Refunding Bonds 2013	12/02/13	12/01/21	2.00-2.50%	\$ 3,545,000	\$ 3,240,000
Water Utility Revenue Advance Refunding Bonds 2012	09/26/12	12/01/21	2.12%	1,350,000	840,000
Water Utility Revenue Bonds 2007	06/01/07	12/01/26	4.00-4.125%	2,345,000	1,610,000
Water Utility Revenue Bonds 2006	01/25/06	05/01/25	2.365%	8,788,354	5,820,733
Water Utility Revenue Bonds 2005	04/27/05	05/01/24	2.365%	16,666,667	9,764,958
Water Utility Revenue Advance Refunding Bonds 2004	11/15/04	12/01/17	2.50-3.90%	4,210,000	995,000
<i>Sewerage Disposal Utility</i>					
Sewer System 2013 Clean Water Fund Loan (1)	02/13/13	05/01/32	2.65%	10,952,442	10,529,720
<i>Stormwater Utility</i>					
Stormwater System Revenue Bonds, Series 2009	12/09/09	05/01/29	3.15%	471,087	393,588
Total Business-type Activities Revenue Debt					\$ 33,193,999

- (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.

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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

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

**Revenue Debt (cont.)**

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

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ 3,016,711	\$ 828,735	\$ 3,845,446
2016	2,791,499	750,074	3,541,573
2017	2,872,388	678,150	3,550,538
2018	2,659,403	603,701	3,263,104
2019	2,722,571	537,392	3,259,963
2020 - 2024	12,762,791	1,672,468	14,435,259
2025 - 2029	4,252,954	534,428	4,787,382
2030 - 2032	2,115,682	84,946	2,200,628
Totals	<u>\$ 33,193,999</u>	<u>\$ 5,689,894</u>	<u>\$ 38,883,893</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.

**Prior-Year Defeasance of Debt**

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2014, \$3,080,000 of bonds outstanding are considered defeased.

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

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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

**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.J.). The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2014, are as follows:

	Governmental Activities		
	Principal	Interest	Totals
2015	\$ 453,531	\$ 832,121	\$ 1,285,652
2016	463,531	819,752	1,283,283
2017	888,531	806,033	1,694,564
2018	988,531	785,352	1,773,883
2019	1,073,531	768,110	1,841,641
2020 - 2024	6,962,656	3,331,468	10,294,124
2025 - 2029	10,068,830	1,618,511	11,687,341
2030 - 2032	1,645,000	158,887	1,803,887
Totals	<u>\$ 22,544,141</u>	<u>\$ 9,120,234</u>	<u>\$ 31,664,375</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, 2014

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

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#### **H. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES**

Governmental activities net position reported on the government wide statement of net position at December 31, 2014 includes the following:

##### **Governmental Activities**

Net investment in capital assets		
Land	\$	12,748,936
Right-of-way		13,112,194
Land improvements		10,326,161
Construction in progress		41,262
Other capital assets, net of accumulated depreciation		92,759,885
Less: Related long-term debt outstanding, premium and loss on refunding	\$ (48,102,888)	
Add: Unspent debt proceeds	<u>2,141,977</u>	<u>(45,960,911)</u>
Total Net Investment in Capital Assets		<u>83,027,527</u>
Restricted		
Debt service		2,501,691
TIF District No. 7		1,691,178
Loans		904,922
Grant programs		114,459
Library		1,345,503
Cemetery		<u>1,269,375</u>
Total Restricted		<u>6,831,035</u>
Unrestricted (deficit)		<u>(9,643,670)</u>
Total Governmental Activities Net Position	\$	<u>81,210,985</u>

Governmental fund balances reported on the fund financial statements at December 31, 2014 include the following:

##### **Governmental Funds**

###### **Nonspendable**

###### Major Funds

###### General Fund

Delinquent personal property taxes	\$	96,536
Inventories		2,607
Prepaid items		<u>31,904</u>
Total	\$	<u>131,047</u>

Capital Projects – Public Infrastructure Noncurrent receivables/advances	\$	<u>1,266,000</u>
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Special Revenue – TIF District No. 8 Noncurrent receivables/advances	\$	<u>30,000</u>
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# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

##### **Governmental Funds (cont.)**

###### **Restricted**

###### Major Funds

Debt Service	\$ 2,738,152
Capital Projects – TIF District No. 7	\$ 1,024,713
Capital Projects – TIF District No. 8	\$ 1,504,052

###### **Assigned**

###### Major Funds

###### General Fund

Library operations	\$ 61,309
Carryforwards	6,800
Applied to 2015 budget	66,850

Total \$ 134,959

Capital Projects – Public Infrastructure  
Capital projects

\$ 2,727,904

###### **Unassigned (deficit)**

###### Major Funds

###### General Fund

\$ 3,747,098

Special Revenue – TIF District No. 8

\$ (4,849,079)

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**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</b>	<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	\$ -	\$ -	\$ -	\$ -	\$ (747,159)
TIF District No. 6	-	-	-	-	(1,792,570)
TIF District No. 7	-	1,048,277	-	-	-
Community Development Block Grant	-	38	-	-	-
Housing/business loans	-	904,884	-	-	-
Industrial development	-	-	37,504	-	-
Recycling	-	-	213,347	-	-
Health grants	-	114,459	-	-	-
Parks and recreation	-	-	345,410	-	-
Dial-A-Ride	-	-	42,652	-	-
Civic and social	-	-	109,018	-	-
Library	399	1,345,103	-	-	-
Clock tower renovations	-	25	-	-	-
Other	-	-	134,009	-	-
Cemetery perpetual care	-	1,269,375	-	-	-
Cemetery flowers	-	-	174,837	-	-
Walnut	-	-	420	-	-
Sub-Total – Special Revenue Funds	<u>399</u>	<u>4,682,161</u>	<u>1,057,197</u>	<u>-</u>	<u>(2,539,729)</u>
<b>Capital Projects Fund</b>					
TIF District No. 5	-	224,825	-	-	-
TIF District No. 6	-	96,354	-	-	-
Redevelopment	-	-	-	33,306	-
Facilities	-	-	-	37,161	-
Capital equipment	4,066	-	-	253,626	-
Equipment replacement	-	-	-	190,558	-
Sub-Total – Capital Projects Funds	<u>4,066</u>	<u>321,179</u>	<u>-</u>	<u>514,651</u>	<u>-</u>
Totals	<u>\$ 4,465</u>	<u>\$ 5,003,340</u>	<u>\$ 1,057,197</u>	<u>\$ 514,651</u>	<u>\$ (2,539,729)</u>

Nonspendable for:  
Prepaid items

\$ 4,465

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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

	Water	Sewerage Disposal Utility	Stormwater Utility	Other Enterprise Funds
Plant in service	\$ 60,242,814	\$ 25,896,632	\$ 21,226,779	\$ 259,376
Accumulated depreciation	(14,780,069)	(8,996,358)	(5,977,649)	(88,367)
Sub-Totals	45,462,745	16,900,274	15,249,130	171,009
Less: Capital related debt				
Current portion of long-term debt	2,531,529	874,113	484,215	-
Long-term portion of debt	19,739,162	5,144,495	2,577,100	-
Unamortized loss on advance refunding	(108,368)	(27,299)	(41,660)	-
Unamortized premiums	141,340	74,142	57,032	-
Sub-Totals	22,303,663	6,065,451	3,076,687	-
Add: Unspent Debt Proceeds				
Reserve from borrowing	959,257	-	-	-
Total Net Investment in Capital Assets	\$ 24,118,339	\$ 10,834,823	\$ 12,172,443	\$ 171,009

##### ***J. COMPONENT UNITS***

###### ***City of Neenah Business Improvement District***

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

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

a. **Basis of Accounting/Measurement Focus**

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

b. **Deposits and Investments**

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

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

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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

**J. COMPONENT UNITS (cont.)**

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

b. Deposits and Investments (cont.)

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

	Carrying Value	Statement Balance	Associated Risks
Demand deposits	\$ 31,512	\$ 31,512	Custodial credit
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 31,512		

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, 2014

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

**J. COMPONENT UNITS (cont.)**

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

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Capital assets being depreciated					
Land improvements	\$ 11,000	\$ -	\$ -	\$ 11,000	20
Machinery and equipment	14,500	-	-	14,500	15
<b>Total Capital Assets</b>	<b>25,500</b>	<b>-</b>	<b>-</b>	<b>25,500</b>	
Less: Accumulated depreciation for					
Land improvements	(4,400)	(549)	-	(4,949)	
Machinery and equipment	(6,768)	(967)	-	(7,735)	
<b>Total Accumulated Depreciation</b>	<b>(11,168)</b>	<b>(1,516)</b>	<b>-</b>	<b>(12,684)</b>	
<b>Net Capital Assets Being Depreciated</b>	<b>\$ 14,332</b>			<b>\$ 12,816</b>	

**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, 2014

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

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#### J. COMPONENT UNITS (cont.)

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

#### b. Deposits and Investments

A separate investment policy does not exist for the CDA.

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

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

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

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

#### **Custodial Credit Risk**

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

As of December 31, 2014, 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, 2014

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

**J. 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.	\$ 6,210,000	\$ -	\$ 335,000	\$ 5,875,000
2013 community development lease revenue bonds dated September 10, 2013 with interest at 0.45-4.20%. Principal payments vary. Bonds mature December 1, 2028.	17,620,000	-	165,000	17,455,000
Totals	\$ 23,830,000	\$ -	\$ 500,000	\$ 23,330,000

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2015	\$ 510,000	\$ 832,121	\$ 1,342,121
2016	520,000	819,752	1,339,752
2017	945,000	806,033	1,751,033
2018	1,045,000	785,352	1,830,352
2019	1,130,000	768,110	1,898,110
2020 - 2024	7,245,000	3,331,468	10,576,468
2025 - 2029	10,290,000	1,618,511	11,908,511
2030 - 2032	1,645,000	158,887	1,803,887
Totals	\$ 23,330,000	\$ 9,120,234	\$ 32,450,234

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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#### J. 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

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

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category and Executives and Elected Officials. Required contributions for protective employees are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2014 were:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for City employees covered by WRS for the year ended December 31, 2014 was \$13,691,283; the employer's total payroll was \$15,853,759. The total required contribution for the year ended December 31, 2014 was \$2,271,333 or 16.6% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ended December 31, 2013 and 2012 were \$2,425,744 and \$2,171,215, respectively, equal to the required contributions for each year.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

#### ***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, 2013 and 2012 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 \$64,245 as of December 31, 2014, all of which relates to prior service. The estimated remaining period of amortization is three 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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

##### ***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.

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, 2014. A total liability of approximately \$203,999 at December 31, 2014 was recorded as claims payable. Changes in the fund's claims loss liability follow:

	<u>Balance</u> <u>January 1</u>	<u>Incurred</u> <u>Claims</u>	<u>Claims</u> <u>Paid/</u> <u>Settled</u>	<u>Balance</u> <u>December 31</u>
2013	\$ 161,736	\$ 189,116	\$ 189,116	\$ 161,736
2014	161,736	170,280	128,017	203,999

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

**CITY OF NEENAH**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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

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

**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 2014.

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, 2014 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, 2014:

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>
2013	\$ 20,000	\$ 297,797	\$ 297,797	\$ 20,000
2014	20,000	291,309	291,309	20,000

**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>2014</u>
Unpaid claims - Beginning of Year	\$ 370,383
Current year claims and changes in estimates	4,163,433
Claim payments	<u>(4,176,536)</u>
Unpaid Claims - End of Year	<u>\$ 357,280</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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#### **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, 2014 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, 2014. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

#### **D. JOINT VENTURES**

##### ***Menasha-Neenah Municipal Court***

The City of Neenah and the City of Menasha have enacted joint ordinances creating the Menasha-Neenah Municipal Court. Each City's proportionate share in the annual operations is equal to the percentage share of citations issued by that city compared to the total citations issued by both cities since the inception of the municipal court. The breakdown as of December 31, 2014 was as follows:

<u>City</u>	<u>Number of 2014 Citations</u>	<u>Number of Citations Since Inception</u>	<u>% of Total</u>
City of Menasha	1,680	25,263	40.8%
City of Neenah	<u>2,247</u>	<u>36,671</u>	<u>59.2%</u>
Totals	<u>3,927</u>	<u>61,934</u>	<u>100.0%</u>

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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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

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, 2014, the court had a deficit of \$258,450. The allocation of this deficit is as follows:

City of Menasha	\$ 107,608
City of Neenah	<u>150,842</u>
Total	<u>\$ 258,450</u>

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

Financial information of the court as of December 31, 2014 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.

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, 2014 is included in the City's CAFR as supplementary information. Separate financial statements are not available.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

#### **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	\$	103,578
Interest on net OPEB obligation		10,135
Adjustment to annual required contribution		(12,362)
Annual OPEB Cost		101,351
Contributions made		(55,789)
Increase in net OPEB obligation		45,562
Net OPEB Obligation – Beginning of Year		268,186
Net OPEB Obligation – End of Year	\$	313,748

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/14	\$ 101,351	55.01%	\$ 313,748
12/31/13	114,251	48.47%	268,186
12/31/12	113,713	61.78%	209,313

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u>1,026,865</u>
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, 2014 was 24 years.

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

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

On May 27, 2015 the City issued general obligation promissory notes in the amount of \$6,250,000 with an interest rate ranging from 2.00 – 2.50%. These proceeds will be used to fund various capital improvement projects as well as pay off the outstanding 2005 bonds.

On May 27, 2015 the City issued note anticipation notes in the amount of \$1,350,000 with an interest rate of 2.50%. These proceeds will be used to fund various capital improvement projects.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension – Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*

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, 2014

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Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	
01/01/14	\$	-	\$ 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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>TAXES</b>				
General property tax	\$ 12,515,050	\$ 12,515,050	\$ 12,515,046	(4)
Payment in lieu of taxes	12,000	12,000	12,177	177
Total Taxes	<u>12,527,050</u>	<u>12,527,050</u>	<u>12,527,223</u>	<u>173</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenues	2,218,700	2,218,700	2,220,760	2,060
Highway maintenance aids	1,119,500	1,119,500	1,119,004	(496)
Police, fire, and library aids	71,850	71,850	81,508	9,658
Mass transit aids	255,850	255,850	290,525	34,675
Refund of prior year joint fire district payment	35,000	35,000	146,578	111,578
Total Intergovernmental Revenues	<u>3,700,900</u>	<u>3,700,900</u>	<u>3,858,375</u>	<u>157,475</u>
<b>LICENSES AND PERMITS</b>				
Licenses				
Liquor and malt beverage	24,000	24,000	21,847	(2,153)
Operators	13,000	13,000	17,530	4,530
Cigarette	2,500	2,500	2,900	400
Electrical contractor	5,000	5,000	214	(4,786)
Furnace	2,000	2,000	1,960	(40)
Dog and cat	10,500	10,500	11,771	1,271
Sundry	9,720	9,720	9,122	(598)
Permits				
Building	105,000	105,000	77,537	(27,463)
Electrical	25,000	25,000	27,965	2,965
Plumbing	21,000	21,000	24,094	3,094
Furnace	22,000	22,000	28,027	6,027
Sundry	20,750	20,750	20,592	(158)
Total Licenses and Permits	<u>260,470</u>	<u>260,470</u>	<u>243,559</u>	<u>(16,911)</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court fines	145,000	145,000	90,222	(54,778)
Miscellaneous	2,000	2,000	2,150	150
Total Fines, Forfeitures and Penalties	<u>147,000</u>	<u>147,000</u>	<u>92,372</u>	<u>(54,628)</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CHARGES FOR SERVICES</b>				
Other				
General government	\$ 713,770	\$ 713,770	\$ 698,826	\$ (14,944)
Public safety	203,640	203,640	196,509	(7,131)
Highway and street	112,150	112,150	128,259	16,109
Rental of City property	97,900	97,900	107,669	9,769
Public library	772,280	772,280	782,519	10,239
Cemetery	85,800	85,800	99,403	13,603
Park and recreation	523,550	523,550	534,719	11,169
Sundry	13,000	13,000	10,200	(2,800)
Total Other	<u>2,522,090</u>	<u>2,522,090</u>	<u>2,558,104</u>	<u>36,014</u>
Health and Welfare				
Health inspection fees	40,000	40,000	32,180	(7,820)
Total Charges for Services	<u>2,562,090</u>	<u>2,562,090</u>	<u>2,590,284</u>	<u>28,194</u>
<b>INVESTMENT INCOME AND MISCELLANEOUS</b>				
Investment income	296,000	296,000	265,420	(30,580)
Unrealized gains/(losses)	-	-	(5,720)	(5,720)
Miscellaneous general revenues	460,200	460,200	424,168	(36,032)
Total Investment Income and Miscellaneous	<u>756,200</u>	<u>756,200</u>	<u>683,868</u>	<u>(72,332)</u>
Total Revenues	<u>19,953,710</u>	<u>19,953,710</u>	<u>19,995,681</u>	<u>41,971</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers From				
TIF District No. 5 fund	63,600	63,600	63,106	(494)
TIF District No. 6 fund	46,600	46,600	46,100	(500)
TIF District No. 7 fund	78,100	78,100	79,100	1,000
TIF District No. 8 fund	90,600	90,600	83,099	(7,501)
Community development block grant fund	30,000	30,000	46,556	16,556
Housing and business loans fund	40,000	40,000	40,000	-
Industrial development fund	5,000	5,000	5,000	-
Recycling fund	22,090	22,090	22,090	-
Other special revenue fund	11,390	11,390	6,551	(4,839)
Cemetery perpetual care fund	20,000	20,000	16,501	(3,499)
Sewer fund	778,170	778,170	694,824	(83,346)
Stormwater fund	390,000	390,000	334,398	(55,602)
Water utility fund - payment in lieu of tax	1,134,500	1,134,500	1,052,637	(81,863)
Water utility fund	32,270	32,270	32,274	4
Fleet management fund	30,000	30,000	30,000	-
Information systems fund	40,000	40,000	40,000	-
Parking utility fund	112,850	112,850	141,610	28,760
Benefit accrual fund	200,000	200,000	200,000	-
Total Transfers	<u>3,125,170</u>	<u>3,125,170</u>	<u>2,933,846</u>	<u>(191,324)</u>
Sale of city property	2,100	2,100	84	(2,016)
Total Other Financing Sources	<u>3,127,270</u>	<u>3,127,270</u>	<u>2,933,930</u>	<u>(193,340)</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>				
	<u>\$ 23,080,980</u>	<u>\$ 23,080,980</u>	<u>\$ 22,929,611</u>	<u>\$ (151,369)</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, 2014

<b>CURRENT EXPENDITURES</b>	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Common council	\$ 60,580	\$ 60,580	\$ 57,804	\$ 2,776
Mayor's office	179,890	179,890	181,220	(1,330)
Finance	1,131,150	1,131,150	1,084,009	47,141
Municipal buildings	227,960	227,960	267,587	(39,627)
Human resources	215,460	215,460	209,554	5,906
City attorney	483,660	483,660	457,620	26,040
Total General Government	2,298,700	2,298,700	2,257,794	40,906
<b>PUBLIC SAFETY</b>				
Police Department				
Operations	5,767,470	5,781,543	5,667,361	114,182
Police firing range	23,670	31,210	19,981	11,229
Police school liaison program	259,170	259,170	252,932	6,238
Crossing guards	71,020	71,020	62,936	8,084
Capital outlay	151,400	152,850	137,092	15,758
Community service officers/animal control	59,790	59,790	65,162	(5,372)
K-9 unit	11,390	11,390	6,551	4,839
Fire Department				
Operations	4,617,830	4,617,830	4,608,772	9,058
Other				
Pension	14,920	14,920	14,920	-
Police and fire commission	6,220	6,220	5,944	276
Total Public Safety	10,982,880	11,005,943	10,841,651	164,292
<b>PUBLIC WORKS</b>				
Engineering	688,840	688,840	680,939	7,901
Repair of streets	355,570	355,570	360,898	(5,328)
Snow and ice control	496,590	496,590	596,857	(100,267)
Weed cutting	54,890	54,890	43,454	11,436
Forestry program	166,830	166,830	162,702	4,128
Street lighting	541,700	541,700	571,586	(29,886)
Municipal garage	446,630	446,630	454,731	(8,101)
Storm and sanitary sewers and drains	318,680	318,680	287,018	31,662
Refuse collection	657,980	657,980	674,316	(16,336)
Sewer inspection	55,780	55,780	49,362	6,418
Traffic control	323,710	323,710	297,902	25,808
Capital outlay	8,900	8,900	4,790	4,110
Sundry	5,840	5,840	5,415	425
Total Public Works	4,121,940	4,121,940	4,189,970	(68,030)

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>PARKS, RECREATION AND EDUCATION</b>				
Parks and Recreation				
Administration	\$ 550,330	\$ 550,330	\$ 551,057	\$ (727)
Capital outlay	21,000	21,000	21,000	-
Adult programs	35,520	35,520	33,416	2,104
Youth programs	27,980	27,980	29,899	(1,919)
Municipal pool and recreation building	266,530	266,530	268,822	(2,292)
Playground programs	79,910	79,910	84,382	(4,472)
Parks	877,600	877,600	880,027	(2,427)
Forestry	69,310	69,310	59,565	9,745
Other activities	43,890	43,890	38,058	5,832
Total Parks and Recreation	<u>1,972,070</u>	<u>1,972,070</u>	<u>1,966,226</u>	<u>5,844</u>
Library				
Operations	1,995,630	1,995,630	1,994,986	644
Total Parks, Recreation and Education	<u>3,967,700</u>	<u>3,967,700</u>	<u>3,961,212</u>	<u>6,488</u>
<b>HEALTH AND WELFARE</b>				
Assistance Program				
Committee on Aging	190	190	50	140
<b>COMMUNITY DEVELOPMENT</b>				
Operations	742,830	748,674	715,084	33,590
Celebrations and commemorations	64,600	64,600	67,960	(3,360)
Housing authority	12,620	12,620	15,154	(2,534)
Bus subsidy program	335,850	335,850	335,385	465
Older adult center	13,670	13,670	13,670	-
Conservation and development	261,130	261,130	172,285	88,845
Total Community Development	<u>1,430,700</u>	<u>1,436,544</u>	<u>1,319,538</u>	<u>117,006</u>
<b>OTHER</b>				
Cemetery operations	230,200	230,200	253,132	(22,932)
Miscellaneous	36,670	36,670	37,873	(1,203)
Total Other	<u>266,870</u>	<u>266,870</u>	<u>291,005</u>	<u>(24,135)</u>
Total Expenditures	<u>23,068,980</u>	<u>23,097,887</u>	<u>22,861,220</u>	<u>236,667</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>\$ 23,080,980</u>	<u>\$ 23,109,887</u>	<u>\$ 22,873,220</u>	<u>\$ 236,667</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, 2014

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 1,409,667	\$ 1,368,819	\$ (40,848)
Intergovernmental	211,916	205,775	(6,141)
Investment income and miscellaneous	5,000	79,513	74,513
Total Revenues	<u>1,626,583</u>	<u>1,654,107</u>	<u>27,524</u>
<b>EXPENDITURES</b>			
Current			
Community development	1,000	9,028	(8,028)
Debt Service			
Principal retirement	500,000	443,532	56,468
Interest and fiscal charges	843,080	901,814	(58,734)
Total Expenditures	<u>1,344,080</u>	<u>1,354,374</u>	<u>(10,294)</u>
Excess of revenues over expenditures	<u>282,503</u>	<u>299,733</u>	<u>17,230</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on debt	-	3,648	3,648
Transfers out	(988,857)	(811,356)	177,501
Total Other Financing Sources (Uses)	<u>(988,857)</u>	<u>(807,708)</u>	<u>181,149</u>
Net Change in Fund Balance	(706,354)	(507,975)	198,379
FUND BALANCE (DEFICIT) - Beginning	<u>(4,311,104)</u>	<u>(4,311,104)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (5,017,458)</u>	<u>\$ (4,819,079)</u>	<u>\$ 198,379</u>

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

## CITY OF NEENAH

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2014

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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 \$134,959 in the general fund, which includes library operations.

See independent auditors' report.

**SUPPLEMENTARY INFORMATION**

**DEBT SERVICE FUND**

**CITY OF NEENAH**

**BALANCE SHEET - DEBT SERVICE FUND**  
As of December 31, 2014

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	Debt Service Fund
<b>ASSETS</b>	
Cash and investments	\$ 13,171
Receivables	
Taxes	3,314,391
Special assessments	269,644
Advances to other funds	<u>2,620,000</u>
 TOTAL ASSETS	 <u>\$ 6,217,206</u>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	
Deferred Inflows of Resources	
Unearned revenue	\$ 3,210,000
Unavailable revenue	<u>269,054</u>
Total Deferred Inflows of Resources	<u>3,479,054</u>
 Fund Balance	
Restricted for debt service	<u>2,738,152</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 6,217,206</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 3,210,000	\$ 3,210,000	\$ -
Intergovernmental	109,478	109,478	-
Special assessments	<u>300,000</u>	<u>244,090</u>	<u>(55,910)</u>
Total Revenues	<u>3,619,478</u>	<u>3,563,568</u>	<u>(55,910)</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal retirement	3,986,072	4,971,288	(985,216)
Interest and fiscal charges	<u>1,100,852</u>	<u>1,133,214</u>	<u>(32,362)</u>
Total Expenditures	<u>5,086,924</u>	<u>6,104,502</u>	<u>(1,017,578)</u>
Deficiency of revenues over expenditures	<u>(1,467,446)</u>	<u>(2,540,934)</u>	<u>(1,073,488)</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	-	45,300	45,300
Premium on debt	10,000	37,812	27,812
Transfers in	<u>2,356,421</u>	<u>3,350,514</u>	<u>994,093</u>
Total Other Financing Sources	<u>2,366,421</u>	<u>3,433,626</u>	<u>1,067,205</u>
Net Change in Fund Balance	898,975	892,692	(6,283)
FUND BALANCE - Beginning	<u>1,845,460</u>	<u>1,845,460</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,744,435</u>	<u>\$ 2,738,152</u>	<u>\$ (6,283)</u>

**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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income and miscellaneous	\$ -	\$ 14,696	\$ 14,696
<b>EXPENDITURES</b>			
Capital Outlay	<u>1,651,703</u>	<u>1,374,689</u>	<u>277,014</u>
Deficiency of revenues over expenditures	<u>(1,651,703)</u>	<u>(1,359,993)</u>	<u>291,710</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	1,265,000	1,265,000	-
Transfers out	<u>-</u>	<u>(22,700)</u>	<u>(22,700)</u>
Total Other Financing Sources (Uses)	<u>1,265,000</u>	<u>1,242,300</u>	<u>(22,700)</u>
Net Change in Fund Balance	(386,703)	(117,693)	269,010
FUND BALANCE - Beginning	<u>4,111,597</u>	<u>4,111,597</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 3,724,894</u>	<u>\$ 3,993,904</u>	<u>\$ 269,010</u>

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 7 - CAPITAL PROJECTS FUND (MAJOR FUND)  
For the Year Ended December 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	<u>35,461</u>	<u>25,325</u>	<u>10,136</u>
Deficiency of revenues over expenditures	<u>(35,461)</u>	<u>(25,325)</u>	<u>10,136</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net Change in Fund Balance	(461)	9,675	10,136
FUND BALANCE - Beginning	<u>1,015,038</u>	<u>1,015,038</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 1,014,577</u>	<u>\$ 1,024,713</u>	<u>\$ 10,136</u>

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 8 - CAPITAL PROJECTS FUND (MAJOR FUND)  
For the Year Ended December 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 92,000	\$ 92,000
<b>EXPENDITURES</b>			
Capital Outlay	1,393,879	70,653	1,323,226
Excess (deficiency) of revenues over expenditures	<u>(1,393,879)</u>	<u>21,347</u>	<u>1,415,226</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	260,000	260,000	-
Transfers in	-	98,000	98,000
Total Other Financing Sources	<u>260,000</u>	<u>358,000</u>	<u>98,000</u>
Net Change in Fund Balance	(1,133,879)	379,347	1,513,226
FUND BALANCE - Beginning	<u>1,124,705</u>	<u>1,124,705</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (9,174)</u>	<u>\$ 1,504,052</u>	<u>\$ 1,513,226</u>

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF NEENAH**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2014

	Special Revenue Funds		
	TIF District No. 5	TIF District No. 6	TIF District No. 7
<b>ASSETS</b>			
Cash and investments	\$ 143,841	\$ 1,430	\$ 3,277
Taxes receivable	226,958	720,697	1,947,834
Loans	-	-	-
Other receivables	-	-	-
Due from other governments	-	-	-
Prepaid items	-	-	-
Advances to other funds	-	-	1,045,000
	-	-	1,045,000
 TOTAL ASSETS	 \$ 370,799	 \$ 722,127	 \$ 2,996,111
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Other liabilities	-	-	-
Advances from other funds	891,000	1,794,000	-
Total Liabilities	891,000	1,794,000	-
 Deferred Inflows of Resources			
Unearned revenue	226,958	720,697	1,947,834
 Fund Balances			
Nonspendable:			
Prepaid items	-	-	-
Restricted	-	-	1,048,277
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	(747,159)	(1,792,570)	-
Total Fund Balances	(747,159)	(1,792,570)	1,048,277
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 \$ 370,799	 \$ 722,127	 \$ 2,996,111

Special Revenue Funds						
Community Development Block Grant	Housing/ Business Loans	Industrial Development	Recycling	Health Grants	Parks and Recreation	Dial-A- Ride
\$ 3,541	\$ 293,242	\$ 37,504	\$ 222,731	\$ 114,459	\$ 346,395	\$ 41,688
-	-	-	280,056	-	-	-
-	611,758	-	-	-	-	-
-	24,856	-	-	-	-	4,028
84,548	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 88,089</u>	<u>\$ 929,856</u>	<u>\$ 37,504</u>	<u>\$ 502,787</u>	<u>\$ 114,459</u>	<u>\$ 346,395</u>	<u>\$ 45,716</u>
\$ -	\$ 140	\$ -	\$ 6,979	\$ -	\$ 985	\$ 3,064
38,651	-	-	-	-	-	-
49,400	24,832	-	2,589	-	-	-
-	-	-	-	-	-	-
<u>88,051</u>	<u>24,972</u>	<u>-</u>	<u>9,568</u>	<u>-</u>	<u>985</u>	<u>3,064</u>
-	-	-	<u>279,872</u>	-	-	-
-	-	-	-	-	-	-
38	904,884	-	-	114,459	-	-
-	-	37,504	213,347	-	345,410	42,652
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<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>\$ 88,089</u>	<u>\$ 929,856</u>	<u>\$ 37,504</u>	<u>\$ 502,787</u>	<u>\$ 114,459</u>	<u>\$ 346,395</u>	<u>\$ 45,716</u>



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Next Page

Special Revenue Funds		Capital Projects Funds				
Cemetery Flowers	Walnut	TIF District No. 5	TIF District No. 6	Redevelop- ment	Facilities	Capital Equipment
\$ 175,226	\$ 1,002	\$ 226,200	\$ 213,304	\$ 99	\$ 60,102	\$ 432,475
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	64,671	-	-
-	-	-	-	-	-	4,066
-	-	-	49,000	-	-	-
<u>\$ 175,226</u>	<u>\$ 1,002</u>	<u>\$ 226,200</u>	<u>\$ 262,304</u>	<u>\$ 64,770</u>	<u>\$ 60,102</u>	<u>\$ 436,541</u>
\$ 389	\$ 582	\$ 1,375	\$ 165,950	\$ 11,564	\$ 22,941	\$ 178,849
-	-	-	-	19,900	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>389</u>	<u>582</u>	<u>1,375</u>	<u>165,950</u>	<u>31,464</u>	<u>22,941</u>	<u>178,849</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	4,066
174,837	420	224,825	96,354	-	-	-
-	-	-	-	33,306	37,161	253,626
-	-	-	-	-	-	-
<u>174,837</u>	<u>420</u>	<u>224,825</u>	<u>96,354</u>	<u>33,306</u>	<u>37,161</u>	<u>257,692</u>
<u>\$ 175,226</u>	<u>\$ 1,002</u>	<u>\$ 226,200</u>	<u>\$ 262,304</u>	<u>\$ 64,770</u>	<u>\$ 60,102</u>	<u>\$ 436,541</u>

**CITY OF NEENAH**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
As of December 31, 2014

	Capital Project Funds Equipment Replacement	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
Cash and investments	\$ 216,175	\$ 5,386,541
Taxes receivable	-	3,175,545
Loans	-	611,758
Other receivables	-	34,280
Due from other governments	-	152,764
Prepaid items	-	4,465
Advances to other funds	-	1,094,000
	\$ 216,175	\$ 10,459,353
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 25,617	\$ 423,696
Due to other funds	-	58,551
Other liabilities	-	76,821
Advances from other funds	-	2,685,000
Total Liabilities	25,617	3,244,068
Deferred Inflows of Resources		
Unearned revenue	-	3,175,361
Fund Balances		
Nonspendable:		
Prepaid items	-	4,465
Restricted	-	5,003,340
Committed	-	1,057,197
Assigned	190,558	514,651
Unassigned (deficit)	-	(2,539,729)
Total Fund Balances	190,558	4,039,924
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
	\$ 216,175	\$ 10,459,353

## CITY OF NEENAH

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2014

	Special Revenue Funds		
	TIF District No. 5	TIF District No. 6	TIF District No. 7
<b>REVENUES</b>			
Taxes	\$ 219,333	\$ 388,986	\$ 1,953,556
Intergovernmental	141,281	1,667	68,037
Contributions	-	-	-
Investment income and miscellaneous	38,160	28	2,069
Total Revenues	398,774	390,681	2,023,662
<b>EXPENDITURES</b>			
Current			
Public safety	-	-	-
Recycling	-	-	-
Parks, recreation, and education	-	-	-
Health and welfare	-	-	-
Community development	-	137,547	95,000
Capital Outlay	-	-	-
Debt Service			
Interest and fiscal charges	86	2,004	304
Total Expenditures	86	139,551	95,304
Excess (deficiency) of revenues over expenditures	398,688	251,130	1,928,358
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	4,000	-
Premium on debt	140	3,227	491
Sale of city property	-	-	-
Transfers in	-	-	-
Transfers out	(195,705)	(1,314,908)	(1,299,950)
Total Other Financing Sources (Uses)	(195,565)	(1,307,681)	(1,299,459)
Net Change in Fund Balances	203,123	(1,056,551)	628,899
FUND BALANCES (DEFICIT) - Beginning	(950,282)	(736,019)	419,378
FUND BALANCES (DEFICIT) - ENDING	\$ (747,159)	\$ (1,792,570)	\$ 1,048,277

Special Revenue Funds

Community Development Block Grant	Housing/ Business Loans	Industrial Development	Recycling	Health Grants	Parks and Recreation	Dial-A- Ride
\$ -	\$ -	\$ -	\$ 261,148	\$ -	\$ -	\$ -
350,607	-	25,750	215,903	-	-	34,528
-	-	-	-	-	39,928	8,500
59	12,065	-	13,034	-	548	-
<u>350,666</u>	<u>12,065</u>	<u>25,750</u>	<u>490,085</u>	<u>-</u>	<u>40,476</u>	<u>43,028</u>
-	-	-	-	-	-	-
-	-	-	583,230	-	-	-
-	-	-	-	-	48,867	-
-	-	-	-	5,729	-	-
183,940	2,194	2,810	-	-	-	33,659
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>183,940</u>	<u>2,194</u>	<u>2,810</u>	<u>583,230</u>	<u>5,729</u>	<u>48,867</u>	<u>33,659</u>
<u>166,726</u>	<u>9,871</u>	<u>22,940</u>	<u>(93,145)</u>	<u>(5,729)</u>	<u>(8,391)</u>	<u>9,369</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	22,700	-	-	12,000
(144,556)	(40,000)	(5,000)	(22,090)	-	-	-
<u>(144,556)</u>	<u>(40,000)</u>	<u>(5,000)</u>	<u>610</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
22,170	(30,129)	17,940	(92,535)	(5,729)	(8,391)	21,369
<u>(22,132)</u>	<u>935,013</u>	<u>19,564</u>	<u>305,882</u>	<u>120,188</u>	<u>353,801</u>	<u>21,283</u>
<u>\$ 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>

## CITY OF NEENAH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2014

	Special Revenue Funds				
	Civic and Social	Library	Clock Tower Renovations	Other	Cemetery Perpetual Care
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	61,772	-
Contributions	22,962	221,425	-	22,777	-
Investment income and miscellaneous	82	67,808	-	83	25,193
Total Revenues	<u>23,044</u>	<u>289,233</u>	<u>-</u>	<u>84,632</u>	<u>25,193</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	-	-	89,152	-
Recycling	-	-	-	-	-
Parks, recreation, and education	-	55,408	-	-	-
Health and welfare	-	-	-	-	-
Community development	36,607	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>36,607</u>	<u>55,408</u>	<u>-</u>	<u>89,152</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(13,563)</u>	<u>233,825</u>	<u>-</u>	<u>(4,520)</u>	<u>25,193</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sale of city property	10,513	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(6,551)	(16,501)
Total Other Financing Sources (Uses)	<u>10,513</u>	<u>-</u>	<u>-</u>	<u>(6,551)</u>	<u>(16,501)</u>
Net Change in Fund Balances	(3,050)	233,825	-	(11,071)	8,692
FUND BALANCES (DEFICIT) - Beginning	<u>112,068</u>	<u>1,111,677</u>	<u>25</u>	<u>145,080</u>	<u>1,260,683</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 109,018</u>	<u>\$ 1,345,502</u>	<u>\$ 25</u>	<u>\$ 134,009</u>	<u>\$ 1,269,375</u>

Special Revenue Funds		Capital Project Funds				
Cemetery Flowers	Walnut	TIF District No. 5	TIF District No. 6	Redevelop- ment	Facilities	Capital Equipment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	4,590	-	81,211	-	-
-	-	-	-	-	-	-
148	499	-	-	-	-	14,663
<u>148</u>	<u>499</u>	<u>4,590</u>	<u>-</u>	<u>81,211</u>	<u>-</u>	<u>14,663</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,429	-	-	-	-	-	-
-	640	-	-	-	-	-
-	-	8,319	397,269	64,672	481,650	1,260,910
-	-	-	-	-	-	-
<u>3,429</u>	<u>640</u>	<u>8,319</u>	<u>397,269</u>	<u>64,672</u>	<u>481,650</u>	<u>1,260,910</u>
<u>(3,281)</u>	<u>(141)</u>	<u>(3,729)</u>	<u>(397,269)</u>	<u>16,539</u>	<u>(481,650)</u>	<u>(1,246,247)</u>
-	-	10,000	226,000	-	445,000	939,700
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	10,000	226,000	-	445,000	939,700
(3,281)	(141)	6,271	(171,269)	16,539	(36,650)	(306,547)
<u>178,118</u>	<u>561</u>	<u>218,554</u>	<u>267,623</u>	<u>16,767</u>	<u>73,811</u>	<u>564,239</u>
<u>\$ 174,837</u>	<u>\$ 420</u>	<u>\$ 224,825</u>	<u>\$ 96,354</u>	<u>\$ 33,306</u>	<u>\$ 37,161</u>	<u>\$ 257,692</u>

**CITY OF NEENAH**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2014

	Capital Project Fund <u>Equipment Replacement</u>	Total Nonmajor Governmental Funds <u>Funds</u>
<b>REVENUES</b>		
Taxes	\$ -	\$ 2,823,023
Intergovernmental	-	985,346
Contributions	-	315,592
Investment income and miscellaneous	163,839	338,278
Total Revenues	<u>163,839</u>	<u>4,462,239</u>
<b>EXPENDITURES</b>		
Current		
Public safety	-	89,152
Recycling	-	583,230
Parks, recreation, and education	-	104,275
Health and welfare	-	9,158
Community development	-	492,397
Capital Outlay	217,791	2,430,611
Debt Service		
Interest and fiscal charges	-	2,394
Total Expenditures	<u>217,791</u>	<u>3,711,217</u>
Excess (deficiency) of revenues over expenditures	<u>(53,952)</u>	<u>751,022</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Long-term debt issued	-	1,624,700
Premium on debt	-	3,858
Sale of city property	-	10,513
Transfers in	-	34,700
Transfers out	-	(3,045,261)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,371,490)</u>
Net Change in Fund Balances	(53,952)	(620,468)
FUND BALANCES (DEFICIT) - Beginning	<u>244,510</u>	<u>4,660,392</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 190,558</u>	<u>\$ 4,039,924</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, 2014

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 225,878	\$ 219,333	\$ (6,545)
Intergovernmental	145,497	141,281	(4,216)
Investment income and miscellaneous	1,000	38,160	37,160
Total Revenues	<u>372,375</u>	<u>398,774</u>	<u>26,399</u>
<b>EXPENDITURES</b>			
Current			
Community development	1,000	-	1,000
Debt Service			
Interest and fiscal charges	1,000	86	914
Total Expenditures	<u>2,000</u>	<u>86</u>	<u>1,914</u>
Excess of revenues over expenditures	<u>370,375</u>	<u>398,688</u>	<u>28,313</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on debt	-	140	140
Transfers out	(196,199)	(195,705)	494
Total Other Financing Sources (Uses)	<u>(196,199)</u>	<u>(195,565)</u>	<u>634</u>
Net Change in Fund Balance	174,176	203,123	28,947
FUND BALANCE (DEFICIT) - Beginning	<u>(950,282)</u>	<u>(950,282)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (776,106)</u>	<u>\$ (747,159)</u>	<u>\$ 28,947</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, 2014

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 400,594	\$ 388,986	\$ (11,608)
Intergovernmental	1,717	1,667	(50)
Investment income and miscellaneous	1,000	28	(972)
Total Revenues	<u>403,311</u>	<u>390,681</u>	<u>(12,630)</u>
<b>EXPENDITURES</b>			
Current			
Community development	1,000	137,547	(136,547)
Debt Service			
Interest and fiscal charges	-	2,004	(2,004)
Total Expenditures	<u>1,000</u>	<u>139,551</u>	<u>(138,551)</u>
Excess of revenues over expenditures	<u>402,311</u>	<u>251,130</u>	<u>(151,181)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	4,000	4,000
Premium on debt	-	3,227	3,227
Transfers out	<u>(321,317)</u>	<u>(1,314,908)</u>	<u>(993,591)</u>
Total Other Financing Sources (Uses)	<u>(321,317)</u>	<u>(1,307,681)</u>	<u>(986,364)</u>
Net Change in Fund Balance	80,994	(1,056,551)	(1,137,545)
FUND BALANCE (DEFICIT) - Beginning	<u>(736,019)</u>	<u>(736,019)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (655,025)</u>	<u>\$ (1,792,570)</u>	<u>\$ (1,137,545)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 2,011,855	\$ 1,953,556	\$ (58,299)
Intergovernmental	70,067	68,037	(2,030)
Investment income and miscellaneous	<u>1,000</u>	<u>2,069</u>	<u>1,069</u>
Total Revenues	<u>2,082,922</u>	<u>2,023,662</u>	<u>(59,260)</u>
<b>EXPENDITURES</b>			
Current			
Community development	1,000	95,000	(94,000)
Debt Service			
Interest and fiscal charges	<u>-</u>	<u>304</u>	<u>(304)</u>
Total Expenditures	<u>1,000</u>	<u>95,304</u>	<u>(94,304)</u>
Excess of revenues over expenditures	<u>2,081,922</u>	<u>1,928,358</u>	<u>(153,564)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on debt	-	491	491
Transfers out	<u>(1,298,948)</u>	<u>(1,299,950)</u>	<u>(1,002)</u>
Total Other Financing Sources (Uses)	<u>(1,298,948)</u>	<u>(1,299,459)</u>	<u>(511)</u>
Net Change in Fund Balance	782,974	628,899	(154,075)
FUND BALANCE - Beginning	<u>419,378</u>	<u>419,378</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 1,202,352</u>	<u>\$ 1,048,277</u>	<u>\$ (154,075)</u>

**CITY OF NEENAH**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
COMMUNITY DEVELOPMENT BLOCK GRANT - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 175,000	\$ 350,607	\$ 175,607
Investment income and miscellaneous	-	59	59
Total Revenues	<u>175,000</u>	<u>350,666</u>	<u>175,666</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>175,000</u>	<u>183,940</u>	<u>(8,940)</u>
Excess of revenues over expenditures	<u>-</u>	<u>166,726</u>	<u>166,726</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>-</u>	<u>(144,556)</u>	<u>(144,556)</u>
Net Change in Fund Balance	-	22,170	22,170
FUND BALANCE (DEFICIT) - Beginning	<u>(22,132)</u>	<u>(22,132)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (22,132)</u>	<u>\$ 38</u>	<u>\$ 22,170</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income and miscellaneous	\$ 3,720	\$ 12,065	\$ 8,345
<b>EXPENDITURES</b>			
Current			
Community development	<u>2,200</u>	<u>2,194</u>	<u>6</u>
Excess of revenues over expenditures	<u>1,520</u>	<u>9,871</u>	<u>8,351</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	50,000	-	(50,000)
Transfers out	<u>(45,000)</u>	<u>(40,000)</u>	<u>5,000</u>
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>(40,000)</u>	<u>(45,000)</u>
Net Change in Fund Balance	6,520	(30,129)	(36,649)
FUND BALANCE - Beginning	<u>935,013</u>	<u>935,013</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 941,533</u>	<u>\$ 904,884</u>	<u>\$ (36,649)</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, 2014

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	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 11,500	\$ 25,750	\$ 14,250
<b>EXPENDITURES</b>			
Current			
Community development	5,000	2,810	2,190
Excess of revenues over expenditures	6,500	22,940	16,440
<b>OTHER FINANCING USES</b>			
Transfers out	(5,000)	(5,000)	-
Net Change in Fund Balance	1,500	17,940	16,440
FUND BALANCE - Beginning	19,564	19,564	-
FUND BALANCE - Ending	\$ 21,064	\$ 37,504	\$ 16,440

**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, 2014

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 259,790	\$ 261,148	\$ 1,358
Intergovernmental	202,831	215,903	13,072
Investment income and miscellaneous	10,000	13,034	3,034
Total Revenues	<u>472,621</u>	<u>490,085</u>	<u>17,464</u>
<b>EXPENDITURES</b>			
Current			
Recycling	<u>530,200</u>	<u>583,230</u>	<u>(53,030)</u>
Deficiency of revenues over expenditures	<u>(57,579)</u>	<u>(93,145)</u>	<u>(35,566)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	22,700	22,700	-
Transfers out	<u>(22,090)</u>	<u>(22,090)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>610</u>	<u>610</u>	<u>-</u>
Net Change in Fund Balance	(56,969)	(92,535)	(35,566)
FUND BALANCE - Beginning	<u>305,882</u>	<u>305,882</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 248,913</u>	<u>\$ 213,347</u>	<u>\$ (35,566)</u>

# CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
HEALTH GRANTS - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2014

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>			
Current			
Health and welfare	<u>1,072</u>	<u>5,729</u>	<u>(4,657)</u>
Net Change in Fund Balance	<u>(1,072)</u>	<u>(5,729)</u>	<u>(4,657)</u>
FUND BALANCE - Beginning	<u>120,188</u>	<u>120,188</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 119,116</u>	<u>\$ 114,459</u>	<u>\$ (4,657)</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, 2014

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Contributions	\$ 37,000	\$ 39,928	\$ 2,928
Investment income and miscellaneous	200	548	348
Total Revenues	<u>37,200</u>	<u>40,476</u>	<u>3,276</u>
<b>EXPENDITURES</b>			
Current			
Parks, recreation, and education	<u>38,000</u>	<u>48,867</u>	<u>(10,867)</u>
Net Change in Fund Balance	(800)	(8,391)	(7,591)
FUND BALANCE - Beginning	<u>353,801</u>	<u>353,801</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 353,001</u>	<u>\$ 345,410</u>	<u>\$ (7,591)</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, 2014

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 38,500	\$ 34,528	\$ (3,972)
Contributions	-	8,500	8,500
Total Revenues	<u>38,500</u>	<u>43,028</u>	<u>4,528</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>50,500</u>	<u>33,659</u>	<u>16,841</u>
Excess of revenues over expenditures	<u>(12,000)</u>	<u>9,369</u>	<u>21,369</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>12,000</u>	<u>12,000</u>	-
Net Change in Fund Balance	-	21,369	21,369
FUND BALANCE - Beginning	<u>21,283</u>	<u>21,283</u>	-
FUND BALANCE - Ending	<u>\$ 21,283</u>	<u>\$ 42,652</u>	<u>\$ 21,369</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, 2014

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Contributions	\$ 25,550	\$ 22,962	\$ (2,588)
Investment income and miscellaneous	50	82	32
Total Revenues	<u>25,600</u>	<u>23,044</u>	<u>(2,556)</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>35,000</u>	<u>36,607</u>	<u>(1,607)</u>
Deficiency of revenues over expenditures	<u>(9,400)</u>	<u>(13,563)</u>	<u>(4,163)</u>
<b>OTHER FINANCING SOURCES</b>			
Sale of city property	<u>14,400</u>	<u>10,513</u>	<u>(3,887)</u>
Net Change in Fund Balance	5,000	(3,050)	(8,050)
FUND BALANCE - Beginning	<u>112,068</u>	<u>112,068</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 117,068</u>	<u>\$ 109,018</u>	<u>\$ (8,050)</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, 2014

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Contributions	\$ 30,000	\$ 221,425	\$ 191,425
Investment income and miscellaneous	<u>25,000</u>	<u>67,808</u>	<u>42,808</u>
Total Revenues	<u>55,000</u>	<u>289,233</u>	<u>234,233</u>
<b>EXPENDITURES</b>			
Current			
Parks, recreation, and education	<u>55,000</u>	<u>55,408</u>	<u>(408)</u>
Net Change in Fund Balance	-	233,825	233,825
FUND BALANCE - Beginning	<u>1,111,677</u>	<u>1,111,677</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 1,111,677</u>	<u>\$ 1,345,502</u>	<u>\$ 233,825</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 44,894	\$ 61,772	\$ 16,878
Contributions	30,000	22,777	(7,223)
Investment income and miscellaneous	100	83	(17)
Total Revenues	<u>74,994</u>	<u>84,632</u>	<u>9,638</u>
<b>EXPENDITURES</b>			
Current			
Public safety	<u>84,894</u>	<u>89,152</u>	<u>(4,258)</u>
Deficiency of revenues over expenditures	<u>(9,900)</u>	<u>(4,520)</u>	<u>5,380</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>-</u>	<u>(6,551)</u>	<u>(6,551)</u>
Net Change in Fund Balance	(9,900)	(11,071)	(1,171)
FUND BALANCE - Beginning	<u>145,080</u>	<u>145,080</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 135,180</u>	<u>\$ 134,009</u>	<u>\$ (1,171)</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, 2014

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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>\$ 30,000</u>	<u>\$ 25,193</u>	<u>\$ (4,807)</u>
<b>EXPENDITURES</b>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>25,193</u>	<u>30,193</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>-</u>	<u>(16,501)</u>	<u>(16,501)</u>
Net Change in Fund Balance	(5,000)	8,692	13,692
FUND BALANCE - Beginning	<u>1,260,683</u>	<u>1,260,683</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 1,255,683</u>	<u>\$ 1,269,375</u>	<u>\$ 13,692</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, 2014

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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>\$ 250</u>	<u>\$ 148</u>	<u>\$ (102)</u>
<b>EXPENDITURES</b>			
Current			
Health and welfare	<u>3,500</u>	<u>3,429</u>	<u>71</u>
Net Change in Fund Balance	(3,250)	(3,281)	(31)
FUND BALANCE - Beginning	<u>178,118</u>	<u>178,118</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 174,868</u>	<u>\$ 174,837</u>	<u>\$ (31)</u>

# CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 5 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2014

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 4,590	\$ 4,590
<b>EXPENDITURES</b>			
Capital Outlay			
Capital improvements	<u>581,186</u>	<u>8,319</u>	<u>572,867</u>
Deficiency of revenues over expenditures	<u>(581,186)</u>	<u>(3,729)</u>	<u>577,457</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	(571,186)	6,271	577,457
FUND BALANCE - Beginning	<u>218,554</u>	<u>218,554</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (352,632)</u>	<u>\$ 224,825</u>	<u>\$ 577,457</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, 2014

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>446,907</u>	<u>397,269</u>	<u>49,638</u>
Deficiency of revenues over expenditures	<u>(446,907)</u>	<u>(397,269)</u>	<u>49,638</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>226,000</u>	<u>226,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(220,907)</u>	<u>(171,269)</u>	<u>49,638</u>
FUND BALANCE - Beginning	<u>267,623</u>	<u>267,623</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 46,716</u>	<u>\$ 96,354</u>	<u>\$ 49,638</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	<u>962,730</u>	<u>481,650</u>	<u>481,080</u>
Deficiency of revenues over expenditures	<u>(962,730)</u>	<u>(481,650)</u>	<u>481,080</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>445,000</u>	<u>445,000</u>	<u>-</u>
Net Change in Fund Balance	(517,730)	(36,650)	481,080
FUND BALANCE - Beginning	<u>73,811</u>	<u>73,811</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (443,919)</u>	<u>\$ 37,161</u>	<u>\$ 481,080</u>

## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CAPITAL EQUIPMENT - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2014

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Miscellaneous revenue	\$ -	\$ 14,663	\$ 14,663
<b>EXPENDITURES</b>			
Capital Outlay	<u>1,329,374</u>	<u>1,260,910</u>	<u>68,464</u>
Deficiency of revenues over expenditures	<u>(1,329,374)</u>	<u>(1,246,247)</u>	<u>83,127</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>971,700</u>	<u>939,700</u>	<u>(32,000)</u>
Net Change in Fund Balance	(357,674)	(306,547)	51,127
FUND BALANCE - Beginning	<u>564,239</u>	<u>564,239</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 206,565</u>	<u>\$ 257,692</u>	<u>\$ 51,127</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, 2014

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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>\$ 128,500</u>	<u>\$ 163,839</u>	<u>\$ 35,339</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>247,800</u>	<u>217,791</u>	<u>30,009</u>
Deficiency of revenues over expenditures	<u>(119,300)</u>	<u>(53,952)</u>	<u>65,348</u>
Net Change in Fund Balance	(119,300)	(53,952)	65,348
FUND BALANCE - Beginning	<u>244,510</u>	<u>244,510</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 125,210</u>	<u>\$ 190,558</u>	<u>\$ 65,348</u>

**CITY OF NEENAH**

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS  
As of December 31, 2014

	<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	\$ 99,924	\$ 39,259	\$ 224,653	\$ 3	\$ 363,839
Accounts receivable	4,276	221,076	-	10,899	236,251
Due from other funds	-	27,970	-	-	27,970
Inventories	184,540	-	-	-	184,540
Prepaid items	750	18,954	-	22,797	42,501
Total Current Assets	<u>289,490</u>	<u>307,259</u>	<u>224,653</u>	<u>33,699</u>	<u>855,101</u>
Non Current Assets					
Deposit with risk pool	-	-	1,117,155	-	1,117,155
Advances to other funds	-	2,543,100	-	-	2,543,100
Total Non Current Assets	<u>-</u>	<u>2,543,100</u>	<u>1,117,155</u>	<u>-</u>	<u>3,660,255</u>
Total Assets	<u>289,490</u>	<u>2,850,359</u>	<u>1,341,808</u>	<u>33,699</u>	<u>4,515,356</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
Current Liabilities					
Accounts payable	10,766	250,070	32,574	7,041	300,451
Claims payable	-	377,280	203,999	-	581,279
Due to other funds	-	-	-	2,970	2,970
Compensated absences payable	-	896,024	-	806	896,830
Total Current Liabilities	<u>10,766</u>	<u>1,523,374</u>	<u>236,573</u>	<u>10,817</u>	<u>1,781,530</u>
Noncurrent Liabilities					
Compensated absences payable	3,960	1,339,340	-	4,291	1,347,591
Other post-employment benefits	8,202	-	-	9,249	17,451
Total Noncurrent Liabilities	<u>12,162</u>	<u>1,339,340</u>	<u>-</u>	<u>13,540</u>	<u>1,365,042</u>
Total Liabilities	<u>22,928</u>	<u>2,862,714</u>	<u>236,573</u>	<u>24,357</u>	<u>3,146,572</u>
Deferred Inflows of Resources					
Unearned revenue	-	13,636	-	-	13,636
<b>NET POSITION</b>					
Unrestricted (deficit)	<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	<u>\$ 266,562</u>	<u>\$ (25,991)</u>	<u>\$ 1,105,235</u>	<u>\$ 9,342</u>	<u>\$ 1,355,148</u>

**CITY OF NEENAH**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION -  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2014

	Fleet Management	Benefit Accrual	Insurance	Information Systems	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ 644,445	\$ 8,703,674	\$ 60,300	\$ 749,555	\$ 10,157,974
Total Revenues	<u>644,445</u>	<u>8,703,674</u>	<u>60,300</u>	<u>749,555</u>	<u>10,157,974</u>
<b>OPERATING EXPENSES</b>					
Information technology	-	-	-	700,213	700,213
Retirement system expense	-	3,257,048	-	-	3,257,048
Public works	623,807	-	-	-	623,807
Health claims and other employee benefits	-	5,573,727	-	-	5,573,727
Contractual services	-	-	128,016	-	128,016
Total Operating Expenses	<u>623,807</u>	<u>8,830,775</u>	<u>128,016</u>	<u>700,213</u>	<u>10,282,811</u>
Operating Income (Loss)	20,638	(127,101)	(67,716)	49,342	(124,837)
Transfers out	<u>(30,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(40,000)</u>	<u>(270,000)</u>
Change in Net Position	(9,362)	(327,101)	(67,716)	9,342	(394,837)
TOTAL NET POSITION - Beginning	<u>275,924</u>	<u>301,110</u>	<u>1,172,951</u>	<u>-</u>	<u>1,749,985</u>
TOTAL NET POSITION (DEFICIT) - Ending	<u>\$ 266,562</u>	<u>\$ (25,991)</u>	<u>\$ 1,105,235</u>	<u>\$ 9,342</u>	<u>\$ 1,355,148</u>

**CITY OF NEENAH**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2014

	Fleet Management	Benefit Accrual	Insurance	Information Systems	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from other funds of the city	\$ 645,914	\$ 8,640,515	\$ 60,300	\$ 748,856	\$ 10,095,585
Paid to suppliers for goods and services	(640,867)	(9,005,808)	(70,384)	(708,930)	(10,425,989)
Net Cash Provided (Used) by Operating Activities	<u>5,047</u>	<u>(365,293)</u>	<u>(10,084)</u>	<u>39,926</u>	<u>(330,404)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances for cash deficits	-	602,900	-	-	602,900
Transfers out	(30,000)	(200,000)	-	(40,000)	(270,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(30,000)</u>	<u>402,900</u>	<u>-</u>	<u>(40,000)</u>	<u>332,900</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,953)	37,607	(10,084)	(74)	2,496
CASH AND CASH EQUIVALENTS - Beginning	<u>124,877</u>	<u>1,652</u>	<u>234,737</u>	<u>77</u>	<u>361,343</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 99,924</u>	<u>\$ 39,259</u>	<u>\$ 224,653</u>	<u>\$ 3</u>	<u>\$ 363,839</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 20,638	\$ (127,101)	\$ (67,716)	\$ 49,342	\$ (124,837)
Adjustments to operating income (loss) to net cash flows from operating activities:					
Change in assets, liabilities, and deferred inflows:					
Accounts receivable	1,469	(36,623)	-	(699)	(35,853)
Due from other funds	-	(25,870)	-	-	(25,870)
Inventories	19,103	-	-	-	19,103
Prepaid items	-	(180)	-	3,884	3,704
Accounts payable	(26,036)	(188,044)	15,369	5,540	(193,171)
Claims payable	-	(13,103)	42,263	-	29,160
Due to other funds	-	-	-	(6,030)	(6,030)
Compensated absences	(11,534)	26,294	-	(13,705)	1,055
Other post-employment benefits	1,407	-	-	1,594	3,001
Unearned revenue	-	(666)	-	-	(666)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 5,047</u>	<u>\$ (365,293)</u>	<u>\$ (10,084)</u>	<u>\$ 39,926</u>	<u>\$ (330,404)</u>

**NONCASH ACTIVITIES**

None

**CITY OF NEENAH**

COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - ALL AGENCY FUNDS  
As of December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<b>ADVANCE TAX COLLECTIONS</b>				
<b>Assets</b>				
Cash and investments	\$ 19,070,594	\$ 21,072,764	\$ 19,070,594	\$ 21,072,764
Property taxes receivable	8,682,864	5,942,961	8,682,864	5,942,961
<b>TOTAL ASSETS</b>	<b>\$ 27,753,458</b>	<b>\$ 27,015,725</b>	<b>\$ 27,753,458</b>	<b>\$ 27,015,725</b>
<b>Liabilities</b>				
Accounts payable	\$ 24,189	\$ 31,087	\$ 24,189	\$ 31,087
Accrued liabilities	-	18,979	-	18,979
Due to other governmental units	27,729,269	26,965,659	27,729,269	26,965,659
<b>TOTAL LIABILITIES</b>	<b>\$ 27,753,458</b>	<b>\$ 27,015,725</b>	<b>\$ 27,753,458</b>	<b>\$ 27,015,725</b>
<b>MUNICIPAL COURT</b>				
<b>Assets</b>				
Cash and investments	\$ 581	\$ 194	\$ 581	\$ 194
Accounts receivable	13	25	13	25
Due from other governmental units	230,937	258,450	230,937	258,450
<b>TOTAL ASSETS</b>	<b>\$ 231,531</b>	<b>\$ 258,669</b>	<b>\$ 231,531</b>	<b>\$ 258,669</b>
<b>Liabilities</b>				
Accounts payable	\$ 47,992	\$ 46,955	\$ 47,992	\$ 46,955
Accrued liabilities	3,606	1,081	3,606	1,081
Advances from other governmental units	179,933	210,633	179,933	210,633
<b>TOTAL LIABILITIES</b>	<b>\$ 231,531</b>	<b>\$ 258,669</b>	<b>\$ 231,531</b>	<b>\$ 258,669</b>
<b>NEENAH MENASHA FIRE RESCUE</b>				
<b>Assets</b>				
Cash and investments	\$ 1,538,925	\$ 1,718,279	\$ 1,538,925	\$ 1,718,279
Accounts receivable	8,176	6,656	8,176	6,656
<b>TOTAL ASSETS</b>	<b>\$ 1,547,101</b>	<b>\$ 1,724,935</b>	<b>\$ 1,547,101</b>	<b>\$ 1,724,935</b>
<b>Liabilities</b>				
Accounts payable	\$ 35,546	\$ 20,771	\$ 35,546	\$ 20,771
Accrued liabilities	1,445,782	1,373,023	1,445,782	1,373,023
Due to other governmental units	65,773	331,141	65,773	331,141
<b>TOTAL LIABILITIES</b>	<b>\$ 1,547,101</b>	<b>\$ 1,724,935</b>	<b>\$ 1,547,101</b>	<b>\$ 1,724,935</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, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ 20,615,133	\$ 22,791,237	\$ 20,610,100	\$ 22,796,270
Property taxes receivable	8,682,864	5,942,961	8,682,864	5,942,961
Accounts receivable	8,189	6,681	8,189	6,681
Due from other governmental units	<u>230,937</u>	<u>258,450</u>	<u>230,937</u>	<u>258,450</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 29,537,123</u></b>	<b><u>\$ 28,999,329</u></b>	<b><u>\$ 29,532,090</u></b>	<b><u>\$ 29,004,362</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 112,760	\$ 98,813	\$ 107,727	\$ 103,846
Accrued liabilities	1,449,388	1,393,083	1,449,388	1,393,083
Due to other governmental units	27,795,042	27,296,800	27,795,042	27,296,800
Advances from other governmental units	<u>179,933</u>	<u>210,633</u>	<u>179,933</u>	<u>210,633</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 29,537,123</u></b>	<b><u>\$ 28,999,329</u></b>	<b><u>\$ 29,532,090</u></b>	<b><u>\$ 29,004,362</u></b>

# MENASHA-NEENAH MUNICIPAL COURT

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

For the Year Ended December 31, 2014

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### REVENUES

Court Fines and Penalties	
City of Neenah	\$ 232,075
City of Menasha	<u>171,042</u>
Total Revenues	<u>403,117</u>

### EXPENDITURES

Salaries	73,670
Fringes	29,266
School/Seminars/Training	130
Employee Recognition Awards	100
Postage and Printing	1,692
Audit services	1,370
Maintenance of office equipment	415
Telephone	423
Dues and memberships	765
Translator	305
Debit card services	1,113
Office Supplies	640
Insurance	710
Rental of equipment	679
I/S services	7,234
Software maintenance	4,819
Witness fees	304
City of Menasha	66,112
State of Wisconsin	103,787
Winnebago County	48,774
City of Neenah	<u>88,322</u>
Total Expenditures	<u>430,630</u>

Expenditures Over (Under) Revenues (27,513)

FUND BALANCE (DEFICIT) - Beginning of Year (230,937)

FUND BALANCE (DEFICIT) - END OF YEAR \$ (258,450)

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, 2014

CASH BALANCE - BEGINNING OF YEAR	\$ 1,538,925
<b>CASH COLLECTIONS</b>	
Fire protection fees	
City of Neenah	5,063,841
City of Menasha	<u>3,431,303</u>
Subtotal	8,495,144
Transfer from Public Safety	24,438
Interest on investments	<u>2,367</u>
Total Cash Collections	<u>8,521,949</u>
<b>CASH DISBURSEMENTS</b>	
Salaries	4,902,700
Fringes	2,158,868
School/seminars/training	5,723
Dues and memberships	937
Employee recognition awards	1,073
Conferences and meetings	1,843
Clothing allowance	31,714
Postage	466
Insurance	42,972
Office supplies	877
Safety and other supplies	4,905
Protective equipment	27,899
All other equipment	56,494
Maintenance of software and hardware	9,561
Maintenance of PPE/SCBA	987
Computer hardware and software and printers/copiers	11,181
Electricity	60,546
Natural gas	36,873
Telephone and cell phone	11,409
Utilities	13,434
Outside services	18,396
Professional services	6,218
Gasoline and oil	30,624
Vehicles	866,200
Training	43
Commercial dumpster	909
Equipment maintenance and rental	8,014
Other facility outlay	4,525
Cleaning	12,010
FVTC reimbursements	(15,677)
Finance services	22,400
I/S services	118,884
HR services	31,500
Miscellaneous	<u>12,573</u>
Total Cash Disbursements	<u>8,497,081</u>
Collections over Disbursements	24,868
Reconciling items to account for conversion from modified accrual to cash basis:	
Change in accounts receivable	1,520
Change in accounts payable	(14,775)
Change in accrued liabilities	(72,759)
Change in due to other governments	<u>240,500</u>
Total reconciling items	<u>154,486</u>
CASH BALANCE - END OF YEAR	<u>1,718,279</u>
Cash assigned for:	
Distribution back to Neenah	
2014 Operating Funds Not Spent	36,069
Distribution back to Menasha	
2014 Operating Funds Not Spent	24,449
Distribution of future benefits	1,637,131
Payment of outstanding vendor invoices	<u>20,630</u>
	<u>\$ 1,718,279</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, 2014

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***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	6,211,700
Transfers in	1,902,871
Sale of city properties	150,000
Total Revenues and Other Financing Sources	<u>\$ 8,393,179</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 8,087,541
Transfers out	80,813
Total Expenditures and Other Financing Uses	<u>\$ 8,168,354</u>
FUND BALANCE - December 31, 2014	<u>\$ 224,825</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	5,805,536
Sales of city properties	216,648
Total Revenues and Other Financing Sources	<u>\$ 6,094,781</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 4,245,451
Transfers out	1,752,976
Total Expenditures and Other Financing Uses	<u>\$ 5,998,427</u>
FUND BALANCE - December 31, 2014	<u>\$ 96,354</u>

**CITY OF NEENAH**

**PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS**  
Beginning of Project to December 31, 2014

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***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	18,663,400
Sales of city properties	<u>42,678</u>
Total Revenues and Other Financing Sources	<b><u>\$ 18,961,566</u></b>
<b>EXPENDITURES</b>	
Capital improvements	<b><u>\$ 17,936,853</u></b>
FUND BALANCE - December 31, 2014	<b><u>\$ 1,024,713</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>673,813</u>
Total Other Financing Sources	<b><u>\$ 38,478,344</u></b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 32,987,273
Transfers out	<u>3,987,019</u>
Total Expenditures and Other Financing Uses	<b><u>\$ 36,974,292</u></b>
FUND BALANCE - December 31, 2014	<b><u>\$ 1,504,052</u></b>

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

STATEMENT OF CASH FLOWS  
COMPONENT UNIT  
For the Year Ended December 31, 2014

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

Principal received on lease receivable from primary government	\$ 500,000
Principal paid on lease revenue bonds	(500,000)
Interest paid on lease revenue bonds	<u>(843,080)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(843,080)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment income	<u>843,080</u>
Net Cash Flows From Investing Activities	<u>843,080</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, 2014**

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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.	124 – 129
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.	130 – 133
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.	134 – 138
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.	139 – 141
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.	142 – 143

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net investment in capital assets	\$65,336,390	\$70,582,540	\$74,056,995	\$74,315,573	\$70,310,050	\$70,932,949	\$81,655,241	\$81,646,601	\$81,134,838	\$83,027,527
Restricted	1,820,877	2,505,588	2,603,454	3,004,174	2,849,403	2,964,224	3,209,959	4,075,167	4,122,877	7,827,128
Unrestricted (deficit)	4,097,961	3,012,525	1,186,530	(1,530,255)	(1,830,075)	(1,668,489)	(8,326,135)	(7,911,929)	(5,474,461)	(9,643,670)
Total governmental activities net position	<u>71,255,228</u>	<u>76,100,653</u>	<u>77,846,979</u>	<u>75,789,492</u>	<u>71,329,378</u>	<u>72,228,684</u>	<u>76,539,065</u>	<u>77,809,839</u>	<u>79,783,254</u>	<u>81,210,985</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	36,703,405	38,807,074	37,125,606	41,011,047	41,028,914	42,233,174	42,668,356	44,548,856	46,259,804	47,296,614
Restricted	1,447,431	1,838,757	1,091,973	1,117,561	1,148,894	1,164,805	1,314,505	1,431,753	1,232,260	1,273,145
Unrestricted	4,171,463	6,049,873	9,768,518	8,852,065	7,678,523	7,083,762	9,291,469	10,063,882	9,984,282	11,025,769
Total business-type activities net position	<u>42,322,299</u>	<u>46,695,704</u>	<u>47,986,097</u>	<u>50,980,673</u>	<u>49,856,331</u>	<u>50,481,741</u>	<u>53,274,330</u>	<u>56,044,491</u>	<u>57,476,346</u>	<u>59,595,528</u>
<b>Primary Government</b>										
Net investment in capital assets	102,039,795	109,389,614	111,182,601	115,326,620	111,338,964	113,166,123	124,323,597	124,804,227	126,159,388	129,212,427
Restricted	3,268,308	4,344,345	3,695,427	4,121,735	3,998,297	4,129,029	4,524,464	5,506,920	5,355,137	9,100,273
Unrestricted	8,269,424	9,062,398	10,955,048	7,321,810	5,848,448	5,415,273	965,334	3,543,183	5,745,075	2,493,813
Total primary government activities net position	<u>\$113,577,527</u>	<u>\$122,796,357</u>	<u>\$125,833,076</u>	<u>\$126,770,165</u>	<u>\$121,185,709</u>	<u>\$122,710,425</u>	<u>\$129,813,395</u>	<u>\$133,854,330</u>	<u>\$137,259,600</u>	<u>\$140,806,513</u>

**Schedule 2**

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

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Expenses</b>					
Governmental activities:					
General government	\$2,074,301	\$2,453,666	\$2,560,879	\$2,710,507	\$2,768,721
Public safety	9,034,094	9,059,295	9,419,033	9,921,151	10,127,294
Public works	6,981,173	5,339,989	4,274,646	9,040,838	10,373,160
Recycling	643,263	642,005	522,043	507,984	464,957
Parks, recreation & education	4,152,651	4,132,236	4,221,629	4,198,833	4,294,016
Health & welfare	546,156	515,838	535,684	566,283	603,072
Community development	1,446,168	3,688,789	2,844,927	1,578,516	1,494,557
Other	214,696	-	-	-	-
Interest & fiscal charges	2,067,732	2,351,335	2,625,780	2,628,300	2,710,116
Total Governmental Activities Expenses	<u>27,160,234</u>	<u>28,183,153</u>	<u>27,004,621</u>	<u>31,152,412</u>	<u>32,835,893</u>
Business-type activities:					
Water utility	3,997,970	4,477,894	5,624,870	5,757,901	5,567,109
Sewerage disposal utility	2,171,010	2,102,865	2,292,180	2,456,071	3,112,296
Stormwater utility	699,669	732,238	891,969	1,153,855	1,147,804
Other proprietary fund	128,620	202,365	201,210	226,243	231,699
Total Business-type Activities Expenses	<u>6,997,269</u>	<u>7,515,362</u>	<u>9,010,229</u>	<u>9,594,070</u>	<u>10,058,908</u>
Total Primary Government Expenses	<u>\$34,157,503</u>	<u>\$35,698,515</u>	<u>\$36,014,850</u>	<u>\$40,746,482</u>	<u>\$42,894,801</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:	\$2,457,857	\$2,610,157	\$2,613,505	\$2,729,321	\$2,748,538
Operating grants and contributions	1,106,486	987,486	1,512,247	1,612,984	1,482,633
Capital grants and contributions	4,086,365	7,185,492	1,276,468	1,231,811	454,393
Total Governmental Activities Program Revenues	<u>7,650,708</u>	<u>10,783,135</u>	<u>5,402,220</u>	<u>5,574,116</u>	<u>4,685,564</u>
Business-type activities:					
Charges for services:					
Water utility	5,710,609	6,604,585	7,296,332	6,795,104	6,543,242
Sewerage disposal utility	1,933,862	2,076,306	2,132,176	1,805,365	2,336,669
Stormwater utility	1,080,819	1,106,990	1,094,691	1,150,178	1,282,547
Other proprietary fund	164,172	205,000	216,370	218,668	177,426
Total Charges for Services	<u>8,889,462</u>	<u>9,992,881</u>	<u>10,739,569</u>	<u>9,969,315</u>	<u>10,339,884</u>
Operating grants and contributions	50,943	4,236	34,760	11,077	-
Capital grants and contributions	795,152	3,225,923	94,584	2,288,806	455,401
Total Business-type Activities Program Revenues	<u>9,735,557</u>	<u>13,223,040</u>	<u>10,868,913</u>	<u>12,269,198</u>	<u>10,795,285</u>
Total Primary Government Program Revenues	<u>\$17,386,265</u>	<u>\$24,006,175</u>	<u>\$16,271,133</u>	<u>\$17,843,314</u>	<u>\$15,480,849</u>
<b>Net (Expenses)/Revenue</b>					
Governmental activities	(\$19,509,526)	(\$17,400,018)	(\$21,602,401)	(\$25,578,296)	(\$28,150,329)
Business-type activities	2,738,288	5,707,678	1,858,684	2,675,128	736,377
Total primary government net expense	<u>(\$16,771,238)</u>	<u>(\$11,692,340)</u>	<u>(\$19,743,717)</u>	<u>(\$22,903,168)</u>	<u>(\$27,413,952)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes	\$14,055,618	\$14,644,289	\$15,595,647	\$16,560,611	\$17,232,207
Other taxes	43,538	57,874	45,550	43,678	43,321
Intergovernmental revenues not restricted to specific programs	4,100,095	3,938,413	4,173,838	4,256,243	4,307,713
Public gifts and/or grants	30,009	13,263	3,673	6,181	1,900
Investment income	746,885	1,356,847	1,626,554	625,698	631,389
Miscellaneous	485,121	414,922	525,284	604,963	131,151
Transfers	1,783,112	1,819,835	1,378,181	1,423,435	2,115,534
Total Governmental Activities	<u>21,244,378</u>	<u>22,245,443</u>	<u>23,348,727</u>	<u>23,520,809</u>	<u>24,463,215</u>
Business-type Activities:					
Other taxes	82,000	35,000	148,010	149,760	125,000
Investment income	175,744	443,046	630,033	262,704	66,929
Gain on Sale of Capital Asset/Miscellaneous	34,417	7,516	31,847	12,685	62,886
Transfers	(1,783,112)	(1,819,835)	(1,378,181)	(1,423,435)	(2,115,534)
Total Business-type Activities	<u>(1,490,951)</u>	<u>(1,334,273)</u>	<u>(568,291)</u>	<u>(998,286)</u>	<u>(1,860,719)</u>
Total Primary Government	<u>\$19,753,427</u>	<u>\$20,911,170</u>	<u>\$22,780,436</u>	<u>\$22,522,523</u>	<u>\$22,602,496</u>
<b>Change in Net Position</b>					
Governmental activities	\$1,734,852	\$4,845,425	\$1,746,326	(\$2,057,487)	(\$3,687,114)
Business-type activities	1,247,337	4,373,405	1,290,393	1,676,842	(1,124,342)
Total Primary Government Change in Net Position	<u>\$2,982,189</u>	<u>\$9,218,830</u>	<u>\$3,036,719</u>	<u>(\$380,645)</u>	<u>(\$4,811,456)</u>

**Schedule 2**

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

Fiscal Year				
2010	2011	2012	2013	2014
\$2,466,994	\$2,365,644	\$2,362,306	\$2,648,878	\$2,630,760
10,700,825	11,334,171	10,970,949	10,522,364	11,754,383
7,232,170	6,444,805	7,491,434	7,785,260	6,956,331
507,448	536,598	477,741	510,705	549,003
4,444,400	4,712,367	4,312,726	3,984,727	4,813,270
566,791	592,293	365,020	34,679	10,335
1,741,830	1,720,365	1,622,521	1,511,981	1,867,479
-	-	-	-	-
<u>2,607,949</u>	<u>2,575,218</u>	<u>2,768,349</u>	<u>3,074,953</u>	<u>1,934,432</u>
<u>30,268,407</u>	<u>30,281,461</u>	<u>30,371,046</u>	<u>30,073,547</u>	<u>30,515,993</u>
5,664,153	5,515,427	5,729,773	5,977,085	5,640,643
2,834,696	3,062,907	2,567,948	3,340,100	2,982,985
1,151,825	1,072,497	1,038,419	1,276,294	1,143,761
<u>192,469</u>	<u>224,971</u>	<u>218,765</u>	<u>250,744</u>	<u>283,933</u>
<u>9,843,143</u>	<u>9,875,802</u>	<u>9,554,905</u>	<u>10,844,223</u>	<u>10,051,322</u>
<u>\$40,111,550</u>	<u>\$40,157,263</u>	<u>\$39,925,951</u>	<u>\$40,917,770</u>	<u>\$40,567,315</u>
\$2,715,534	\$3,072,815	\$3,337,909	\$3,131,765	\$3,134,271
1,488,315	900,733	721,953	984,782	1,482,908
<u>1,023,596</u>	<u>5,341,773</u>	<u>1,773,195</u>	<u>946,701</u>	<u>247,080</u>
<u>5,227,445</u>	<u>9,315,321</u>	<u>5,833,057</u>	<u>5,063,248</u>	<u>4,864,259</u>
6,654,836	8,798,241	9,143,821	8,343,050	8,000,288
3,076,452	3,778,864	3,669,835	3,999,498	4,127,959
1,648,620	1,676,896	1,680,337	1,693,528	1,690,301
<u>202,106</u>	<u>260,162</u>	<u>260,027</u>	<u>290,886</u>	<u>341,840</u>
11,582,014	14,514,163	14,754,020	14,326,962	14,160,388
-	-	-	-	63,340
<u>820,333</u>	<u>238,508</u>	<u>(245,447)</u>	<u>157,112</u>	<u>129,041</u>
<u>12,402,347</u>	<u>14,752,671</u>	<u>14,508,573</u>	<u>14,484,074</u>	<u>14,352,769</u>
<u>\$17,629,792</u>	<u>\$24,067,992</u>	<u>\$20,341,630</u>	<u>\$19,547,322</u>	<u>\$19,217,028</u>
(\$25,040,962)	(\$20,966,140)	(\$24,537,989)	(\$25,010,299)	(\$25,651,734)
<u>2,559,204</u>	<u>4,876,869</u>	<u>4,953,668</u>	<u>3,639,851</u>	<u>4,301,447</u>
<u>(\$22,481,758)</u>	<u>(\$16,089,271)</u>	<u>(\$19,584,321)</u>	<u>(\$21,370,448)</u>	<u>(\$21,350,287)</u>
\$17,782,554	\$18,160,266	\$18,706,015	\$19,658,906	\$19,655,740
38,015	40,008	32,021	11,925	11,741
4,108,302	3,985,219	3,605,254	3,915,415	3,947,213
-	-	-	-	-
535,483	348,909	405,024	226,475	367,437
594,088	544,059	765,047	883,270	841,591
<u>2,108,826</u>	<u>2,198,060</u>	<u>2,295,402</u>	<u>2,287,723</u>	<u>2,255,743</u>
<u>25,167,268</u>	<u>25,276,521</u>	<u>25,808,763</u>	<u>26,983,714</u>	<u>27,079,465</u>
75,000	40,000	71,800	50,000	20,000
90,897	44,819	31,566	26,120	45,315
9,135	28,961	8,529	3,607	8,163
<u>(2,108,826)</u>	<u>(2,198,060)</u>	<u>(2,295,402)</u>	<u>(2,287,723)</u>	<u>(2,255,743)</u>
<u>(1,933,794)</u>	<u>(2,084,280)</u>	<u>(2,183,507)</u>	<u>(2,207,996)</u>	<u>(2,182,265)</u>
<u>\$23,233,474</u>	<u>\$23,192,241</u>	<u>\$23,625,256</u>	<u>\$24,775,718</u>	<u>\$24,897,200</u>
\$126,306	\$4,310,381	\$1,270,774	\$1,973,415	\$1,427,731
<u>625,410</u>	<u>2,792,589</u>	<u>2,770,161</u>	<u>1,431,855</u>	<u>2,119,182</u>
<u>\$751,716</u>	<u>\$7,102,970</u>	<u>\$4,040,935</u>	<u>\$3,405,270</u>	<u>\$3,546,913</u>

Schedule 3

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities:</b>										
General government	\$587,843	\$706,695	\$661,268	\$672,933	\$719,570	\$686,787	\$729,751	\$739,512	\$729,554	\$773,523
Public safety	376,039	476,350	439,285	560,235	498,845	534,162	473,636	470,230	476,169	548,888
Public works	3,593,145	5,574,677	1,254,155	1,321,599	821,993	658,687	4,901,668	505,609	677,605	304,100
Recycling	277,421	270,833	384,924	502,217	301,868	405,181	254,650	341,024	496,902	477,051
Parks, recreation & education	1,653,854	2,025,154	1,483,918	1,400,488	1,361,552	1,432,587	1,573,637	1,962,575	1,515,604	1,723,505
Health & welfare	284,999	345,270	328,943	338,447	320,447	301,664	366,466	195,917	79,282	67,525
Community development	877,407	1,384,156	849,727	778,197	661,289	1,208,377	1,015,513	1,618,190	1,088,132	969,667
<b>Total Governmental Activities Program Revenues</b>	<b>7,650,708</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>Business-type activities:</b>										
Water utility	5,837,866	7,208,770	7,321,225	7,360,675	6,604,807	7,198,503	8,825,597	8,856,374	8,360,827	8,015,556
Sewerage disposal utility	2,001,971	2,627,511	2,145,250	3,150,801	2,348,002	3,077,464	3,778,864	3,709,635	4,137,075	4,240,051
Stormwater utility	1,731,548	3,181,759	1,186,068	1,539,054	1,665,050	1,924,274	1,888,048	1,682,537	1,695,286	1,755,322
Other proprietary fund	164,172	205,000	216,370	218,668	177,426	202,106	260,162	260,027	290,886	341,840
<b>Total Business-type Activities Program Revenues</b>	<b>9,735,557</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>Total Primary Government Program Revenues</b>	<b>\$17,386,265</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>

Schedule 4

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved	97,977	95,531	95,242	220,626	100,169	89,377	-	-	-	-
Unreserved	3,808,877	4,172,178	4,634,255	4,312,719	4,177,445	4,044,338	-	-	-	-
Nonspendable	-	-	-	-	-	-	196,731	213,867	100,257	131,047
Assigned	-	-	-	-	-	-	226,579	117,790	74,421	134,959
Unassigned	-	-	-	-	-	-	3,290,715	3,621,301	3,782,035	3,747,098
<b>Total General Fund</b>	<b>\$3,906,854</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>Other Governmental Funds</b>										
Reserved	\$6,013,155	\$8,680,995	\$9,761,156	\$14,746,175	\$14,547,065	\$9,140,146	-	-	-	-
Unreserved:										
Special Revenue Funds	459,827	(1,762,743)	(2,967,910)	(3,299,476)	(5,735,291)	(4,260,324)	-	-	-	-
Capital Project Funds	4,760,926	7,222,151	3,857,304	748,526	3,093,416	(10,667)	-	-	-	-
Nonspendable	-	-	-	-	-	-	5,110,108	4,403,864	892,229	1,300,465
Restricted	-	-	-	-	-	-	4,703,138	6,815,761	8,318,015	10,270,257
Committed	-	-	-	-	-	-	1,191,730	998,859	1,135,457	1,057,197
Assigned	-	-	-	-	-	-	658,364	658,786	4,119,924	3,242,555
Unassigned (deficit)	-	-	-	-	-	-	(7,704,171)	(8,030,941)	(6,019,537)	(7,388,808)
<b>Total Other Governmental Funds</b>	<b>\$11,233,908</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>Total All Governmental Funds</b>	<b>\$15,140,762</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>

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$14,099,037	\$14,694,722	\$15,647,986	\$16,604,187	\$17,275,468	\$17,463,554	\$18,038,420	\$18,593,242	\$19,897,356	\$19,929,065
Intergovernmental	5,158,957	5,658,704	5,607,111	5,672,702	5,690,668	5,927,091	5,268,396	5,739,668	5,311,539	5,250,974
Licenses and permits	309,516	230,534	215,775	298,149	209,369	236,438	272,417	381,153	277,171	243,569
Fines, forfeitures and penalties	129,767	134,532	125,993	134,379	129,116	114,095	114,095	130,272	108,058	92,372
Special assessments	576,280	555,488	246,238	320,726	420,556	485,784	292,000	391,991	339,146	244,090
Charges for services	2,035,522	2,234,452	2,229,135	2,343,395	2,367,214	2,455,719	2,455,719	2,501,628	2,534,198	2,590,284
Contributions	685,603	449,765	228,232	643,043	194,941	146,667	277,420	365,507	211,523	315,592
Investment income and miscellaneous	1,289,624	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
Total revenues	24,284,306	25,716,394	26,417,052	27,191,107	27,391,980	27,803,714	27,440,941	29,341,731	29,644,624	29,782,291
<b>Expenditures by Function</b>										
General government	2,347,854	2,379,715	2,487,931	2,554,982	2,648,212	2,064,590	2,049,477	2,076,328	2,133,309	2,257,794
Public safety	8,891,368	9,002,181	9,158,116	9,616,636	9,792,701	10,228,844	10,724,329	10,921,135	10,951,421	10,930,803
Public works	3,479,944	3,338,297	3,860,556	4,209,452	3,945,681	4,006,233	4,045,034	4,078,836	4,198,844	4,189,970
Recycling	645,825	642,372	520,700	510,284	479,741	521,270	569,995	519,326	546,489	583,230
Parks, recreation and education	3,365,912	3,502,019	3,783,406	3,718,579	3,769,351	3,868,301	3,868,201	3,804,729	3,901,458	4,065,487
Health and welfare	552,701	532,408	553,951	553,419	592,711	584,687	602,295	386,549	33,752	9,208
Community development	1,472,550	1,513,390	1,560,698	1,572,006	1,532,962	1,669,208	1,674,582	1,612,638	1,465,685	1,820,963
Other	214,912	231,613	242,455	265,678	286,036	299,390	307,525	289,815	276,819	291,005
Capital Outlay	18,676,553	6,999,888	7,959,861	7,736,535	6,590,055	6,624,826	2,932,671	5,888,869	3,262,846	3,901,278
Debt service										
Principal retirement	3,030,595	4,435,443	4,076,432	4,834,790	5,057,494	5,300,816	5,296,152	3,834,466	20,841,286 a)	5,414,820
Interest and fiscal charges	1,921,109	2,324,034	2,594,807	2,514,275	2,833,740	2,677,616	2,597,537	2,571,987	3,723,662	2,037,422
Total expenditures	44,599,323	34,901,360	36,738,913	38,086,636	37,528,684	37,845,781	34,667,798	35,984,678	51,335,571	35,501,980
<b>Excess of Revenues</b>										
Over/(under) expenditures	(20,315,017)	(9,184,966)	(10,321,861)	(10,895,529)	(10,136,704)	(10,042,067)	(7,226,857)	(6,642,947)	(21,690,947)	(5,719,689)
<b>Other Financing Sources (Uses)</b>										
Long-term debt issued	7,905,000	10,305,000	4,844,640	6,646,000	3,290,000	4,280,000	3,335,000	4,200,000	3,765,000	3,230,000
Refunding debt issued (principal paid)	-	-	-	(2,930,000)	3,830,314	(4,025,000)	-	4,186,092	7,177,826	-
Premium (discount) on debt	27,122	111,572	16,517	61,700	137,637	70,686	19,362	113,622	365,525	45,318
Payment to escrow agent	-	-	-	-	-	-	-	(3,485,965)	(6,358,607)	-
Proceeds from capital lease issued	-	-	-	6,285,000	-	-	-	17,620,000	-	-
Sale of city property	325	45,909	117,655	34,695	117,453	65,218	19,759	16,630	70,588	10,597
Transfers in	4,166,906	6,289,469	5,734,966	6,899,008	6,523,367	11,707,906	6,231,780	5,802,172	5,616,339	6,417,060
Transfers out	(2,132,845)	(4,299,634)	(3,419,982)	(4,752,351)	(4,307,833)	(9,236,677)	(3,708,720)	(3,063,511)	(2,962,210)	(3,891,317)
Total other financing sources (uses)	9,966,508	12,452,316	7,293,796	12,244,052	9,590,938	2,862,133	5,897,181	7,789,040	25,294,461	5,811,658
<b>Net change in fund balances</b>	(10,348,509)	3,267,350	(3,028,065)	1,348,523	(645,766)	(7,179,934)	(1,329,676)	1,126,093	3,603,514	91,969
Fund Balance January 1	25,489,271	15,140,762	18,408,112	15,380,047	16,728,570	16,182,804	9,002,870	7,673,194	8,799,287	12,402,801
Fund Balance December 31	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
** Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures	18.01%	23.06%	23.72%	22.40%	22.73%	25.51%	25.53%	20.99%	50.98% a)	23.31%

\*\* 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)

Lewy Year	Fiscal Year	Real Property Equalized Values			Manufacturing	Personal Property Equalized Value		Total Equalized Value <sup>2</sup>	Assessed Value <sup>3</sup>	Percent of Total Assessed to Total Equalized Value
		Residential	Commercial	Combined Commercial & Mfg.						
2005	2006	1,093,903	355,116	161,739	67,344	1,678,102	1,388,841	80.41 <sup>4</sup>		
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		

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

<sup>2</sup> Equalized values are determined by the Wisconsin Department of Revenue. 2005 value reflects a one-time correction of value by the State of Wisconsin to compensate for the 2004 over-reporting of value.

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

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

Schedule 7

CITY OF NEENAH, WISCONSIN

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

		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
2005	2006	6.03	1.50	.22		.02		.34	8.11	8.40	1.70	5.48	23.69	1.13	22.56
2006	2007	5.65	1.41	.21		.08		.42	7.77	7.36	1.67	5.53	22.33	1.26	21.07
2007	2008	5.87	1.50	.14		.08		.47	8.06	8.33	1.67	5.61	23.67	1.33	22.34
2008	2009	5.84	1.60	.13		.07		.47	8.11	8.06	1.68	5.61	23.46	1.38	22.08
2009	2010	5.73	1.59	.10		.04	.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

		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
2005	2006	7.29	1.82	.26		.03		.40	9.80	10.15	2.05	6.63	28.63	1.37	27.26
2006	2007	5.68	1.42	.21		.08		.42	7.81	7.39	1.68	5.55	22.43	1.26	21.17
2007	2008	5.93	1.52	.14		.08		.47	8.14	8.41	1.69	5.66	23.90	1.34	22.56
2008	2009	6.04	1.66	.13		.07		.49	8.39	8.35	1.74	5.81	24.29	1.43	22.86
2009	2010	5.99	1.66	.10		.04	.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

Schedule 8

CITY OF NEEENAH, WISCONSIN  
 PRINCIPAL TAXPAYERS  
 2014 AND NINE YEARS PRIOR

December 31, 2014

Name	Nature of Business	Percent of Total Assessed Value (A)	2014	
			Assessed Value	Equalized Value
1. Plexus Corporation	Computer Products and Service	2.18%	\$41,916,600	\$41,929,179
2. Alta Resources	Telemarketing & Fulfillment	1.03%	19,751,400	19,757,327
3. Thomas Wright	Rentals	0.93%	17,869,800	17,875,163
4. Menasha Corporation	Printing & Container Manufacturing	0.80%	15,362,400	15,367,010
5. Wal-Mart	Retail Sales	0.75%	14,334,400	14,338,702
6. Ireit Neenah Fox Point LLC	Grocery/Commercial	0.71%	13,583,900	13,587,976
7. Neenah Foundry, Inc.	Cast Metal Products	0.70%	13,507,600	13,511,653
8. Kimberly-Clark Corporation	Paper Products	0.69%	13,186,600	13,190,557
9. Jewelers Mutual Insurance Co.	Insurance	0.65%	12,435,100	12,438,832
10. Bergstrom Consortio Inc.	Auto Sales & Service	0.62%	11,896,800	11,900,370
Total		9.06%	\$173,844,600	\$173,896,769

(A) Based on the City's total 2014 assessed valuation of \$1,918,933,800 established January 1, 2014 for the 2014 levy.

December 31, 2005

Name	Nature of Business	Percent of Total Assessed Value (B)	2005	
			Assessed Value	Equalized Value
1. Kimberly-Clark Corporation	Paper Products	1.91%	\$26,466,400	\$32,914,314
2. Alcan Packaging	Flexible Packaging and Carton Mfg.	1.08%	15,028,500	18,689,840
3. Wal-Mart	Retail Sales	0.99%	13,760,601	17,113,047
4. Georgia Pacific	Plastics and Paper Manufacturing	0.95%	13,257,300	16,487,128
5. Neenah Downtown Redev. Corp.	Commercial Office Space	0.93%	12,975,500	16,136,675
6. Plexus Corporation	Computer Products Manufacturing	0.80%	11,174,400	13,896,799
7. Jewelers Mutual	Insurance	0.75%	10,462,123	13,010,972
8. Menasha Corporation	Printing and Container Manufacturing	0.71%	9,850,000	12,249,720
9. Neenah Foundry, Inc.	Cast Metal Products	0.69%	9,598,100	11,936,451
10. Glatfelter	Paper Products	0.67%	9,273,500	11,532,770
Total		9.49%	\$131,846,424	\$163,967,716

(B) Based on the City's total 2005 assessed valuation of \$1,388,841,049 established January 1, 2005 for the 2005 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>
2005	40,437,937	39,872,737	98.61	40,426,433	99.98	11,504	0.02
2006	39,762,371	39,211,546	98.62	39,752,098	99.97	10,273	0.03
2007	41,178,746	40,504,725	98.36	41,163,601	99.96	15,145	0.04
2008	44,153,610	43,369,846	98.22	44,126,299	99.94	27,310	0.06
2009	45,323,061	44,350,351	97.85	45,285,803	99.92	37,258	0.08
2010	47,659,333	46,781,439	98.16	47,634,231	99.95	25,102	0.05
2011	47,967,870	46,501,895	96.94	47,944,797	99.95	23,073	0.05
2012	47,683,352	46,841,224	98.23	47,653,038	99.94	30,314	0.06
2013	48,093,781	47,333,417	98.42	48,069,844	99.95	23,937	0.05
2014	47,403,198	46,808,084	98.74	47,371,911	99.93	31,287	0.07

<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 Primary Government	City Population	Total Debt Per Capita
	G.O. Notes	G.O. Bonds	Capital Leases	G.O. Notes for Business-Type Activities	Water Revenue	Sanitary Sewer System Clean Water Loan	Storm Water Revenue	Bonds	Capital Leases	Leases				
2005	\$ 14,858,339	\$ 21,575,361	\$ 16,190,000	\$ 1,808,407	\$ 25,562,151	\$ -	\$ -	\$ 63,893			\$ 80,058,151	25,338	\$ 3,159.61	
2006	16,087,121	27,080,571	16,190,000	2,475,554	35,029,334	-	-	5,013			96,867,593	25,430	3,809.19	
2007	19,321,759	24,493,436	16,190,000	3,449,386	38,115,317	-	-	-			101,569,898	25,430	3,994.10	
2008	18,602,062	24,094,343	22,475,000	4,348,025	36,341,883	-	-	-			105,861,313	25,560	4,141.68	
2009	17,694,971	27,064,254	22,475,000	6,137,369	34,310,815	-	400,405	-			108,082,814	25,800	4,189.26	
2010	16,816,603	22,896,806	22,475,000	6,521,137	32,147,812	-	446,223	-			101,303,581	25,501	3,972.53	
2011	18,820,265	18,956,992	22,450,000	7,525,650	29,926,476	-	452,605	-			98,131,988	25,612	3,831.48	
2012	18,910,946	20,362,964	22,425,000	8,181,034	27,141,137	-	433,540	-			97,454,621	25,723	3,788.62	
2013	14,851,376	24,711,576	22,987,673	8,400,430	24,686,109	9,620,219	413,874	-			105,671,257	25,750	4,103.74	
2014	16,044,267	21,777,397	22,544,141	8,686,334	22,270,691	10,529,720	393,588	-			102,246,138	25,833	3,957.97	

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>
2005	38,242,107	1,678,101,600	2.28%	25,338	1,509.28
2006	45,643,246	1,843,845,100	2.48%	25,430	1,794.86
2007	47,264,608	1,864,942,000	2.53%	25,430	1,858.62
2008	47,044,430	1,931,434,600	2.44%	25,560	1,840.55
2009	50,896,594	1,981,348,900	2.57%	25,800	1,972.74
2010	46,234,546	1,918,845,500	2.41%	25,501	1,813.05
2011	45,302,907	1,916,768,500	2.36%	25,612 *	1,768.82
2012	47,454,944	1,840,562,900	2.58%	25,723 *	1,844.84
2013	47,963,382	1,852,907,500	2.59%	25,750 *	1,862.66
2014	46,507,998	1,918,342,200	2.42%	25,833 *	1,800.33

\* 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, 2014

<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>	\$ 60,365,805	100.00	\$ 60,365,805
<u>Overlapping Debt</u>			
Neenah Joint School District	200,000	49.83	99,660
Fox Valley Technical College	78,670,000	5.58	4,389,786
Winnebago County	33,267,956	16.08	5,349,487
Total Overlapping Debt	\$112,137,956		\$9,838,933
<b>Total Direct and Overlapping Debt</b>	<u>\$172,503,761</u>		<u>\$70,204,738</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, 2014

Equalized Value of Real and Personal Property	<u>\$ 1,918,342,200</u>	
Debt Limit, Five (5) Percent of Equalized Valuation (Wisconsin Statutory Limitation)	<u>\$ 95,917,110</u>	100.00%
Total General Obligation Debt	<u>\$ 46,507,998</u>	
Amount of Debt Applicable to Debt Limitation:		
Total Obligation Bonds and Loans Applicable to Debt Limit at December 31, 2014	\$46,507,998	48.49%
Less: Assets in Debt Service Fund Available for Payment of Principal	13,171	
Net Amount of Debt Applicable to Debt Limit	\$46,494,827	48.47%
Remaining Legal Debt Margin	\$49,422,283	51.53%

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	
2005	5,710,609	2,116,361	3,594,248	1,639,009	432,282	2,071,291	1.74
2006	6,604,585	2,301,113	4,303,472	2,190,136	596,633	2,786,769	1.54
2007	7,292,307	2,629,412	4,662,895	2,428,038	710,115	3,138,153	1.49
2008	6,795,104	3,117,240	3,677,864	2,441,645	714,360	3,156,005	1.17
2009	6,543,242	3,011,329	3,531,913	2,445,418	715,536	3,160,954	1.12
2010	6,654,836	3,144,405	3,510,431	2,464,633	727,594	3,192,227	1.10
2011	8,798,241	3,051,506	5,746,735	2,445,418	715,537	3,160,955	1.82
2012	9,143,821	3,176,012	5,967,809	2,481,529	600,395	3,081,924	1.94
2013	8,343,050	3,304,263	5,038,787	2,531,529	544,463	3,075,992	1.64
2014	8,000,288	3,289,327	4,710,961	2,531,529	544,463	3,075,992	1.53

<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 2015) on all outstanding bond issues as of December 31, 2014.

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

**CITY OF NEENAH, WISCONSIN**

**WATER UTILITY DATA**

**TEN LARGEST WATER USERS**

Year Ending December 31, 2014

<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	81,296	\$412,528
2. Kimberly Clark Corporation	Paper Research/Paper & Hygiene Products	70,260	329,939
3. Galloway	Dairy Products	62,516	533,636
4. Theda Clark Regional Medical Center	Health Care	38,093	194,739
5. Neenah Paper	High Quality Bond Paper	34,298	172,139
6. Industrial Towel & Uniform	Commercial Laundry	10,906	59,222
7. Georgia Pacific	Paper Research	9,717	15,366
8. Bemis	Packaging	9,259	50,708
9. YMCA	Recreation/Fitness Center	6,391	35,096
10. Menasha Packaging	Packaging	5,397	31,035
	Total of Ten Largest Retail Users	328,133	\$1,834,408
	Total Water Utility	891,581	\$5,938,712
	Ten Largest as Percent of Total Water Utility	37%	31%

<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>
2010	1,032	1,322	3.62	5.37	12.00
2011	1,096	1,389	3.80	5.35	12.00
2012	1,168	1,494	4.09	6.44	12.00
2013	951	1,385	3.80	5.94	12.00
2014	894	1,230	3.37	4.75	12.00

Schedule 16

CITY OF NEENAH, WISCONSIN

DEMOGRAPHIC & ECONOMIC STATISTICS

Last Ten Fiscal Years

Adjusted Gross Income per Return<sup>2</sup>

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>City of Neenah</u>	<u>State of Wisconsin</u>	<u>City as % of State</u>	<u>Unemployment Rate<sup>3</sup></u>
2004	25,193	\$49,257	\$43,512	113%	6.3%
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	119%	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

Note: 2014 numbers are not available at the time of publication.

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**  
**2014 AND NINE YEARS PRIOR**

<b><u>2014 Company Name</u></b>	<b><u>2014 Product or Service</u></b>	<b><u>2014 Number of Employees</u></b>
Kimberly-Clark Corporation	Paper Products	2,141
Theda Clark Medical Center	Health Care	1,500
J.J. Keller & Associates	Publisher/Printer Services for Technical and Regulatory Information	1,200
Plexus Corporation	Computer Products and Services	1,100
Neenah Foundry, Inc.	Cast Metal Products	900
N & M Transfer Co. Inc.	Local Trucking Without Storage Services	800
Alta Resources	Outsourced Customer Care Solutions	600
Starshow Presents Inc.	Marketing	500
Outlook Group Corp.	Commercial Printing	450
Neenah Joint School District	Education	449

Source: Infogroup ([www.salesgenie.com](http://www.salesgenie.com)) and direct employer contacts made by Baird.

<b><u>2005 Company Name</u></b>	<b><u>2005 Product or Service</u></b>	<b><u>2005 Number of Employees</u></b>
Plexus Corporation	Computer Products and Services	1,787
Theda Clark Medical Center	Health Care	1,200
Kimberly-Clark Corporation	Paper Products	1,128
Menasha Corporation	Printing and Container Manufacturing	1,038
J.J. Keller & Associates	Publisher and Printer Services for Technical and Regulatory Information	1,000
Neenah Joint School District	Education	855
Neenah Foundry, Inc.	Cast Metal Products	850
Alta Resources	Outsourced Customer Care Solutions	550
Glatfelter	Paper Products	400
Alcan Packaging	Flexible Packaging and Carton Manufacturing	350

Source: Employer Contacts, April 2006, 2006 Wisconsin Business Services & 2006 Wisconsin Manufacturing Directories.

Schedule 18

CITY OF NEENAH, WISCONSIN

**SCHEDULE OF INSURANCE IN FORCE**

December 31, 2014

<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, Inland Marine Floater, Property in the Open	Local Government Property Insurance Fund	\$134,818,939	\$51,231
Contractors Equipment	Local Government Property Insurance Fund	\$4,115,521	\$2,510
Pier and Wharf	Local Government Property Insurance Fund	\$365,599	\$190
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		(\$3,610)
Motor Vehicles	Cities and Villages Mutual Insurance Company	\$11,624,608	\$41,930
Workers Compensation	Cities and Villages Mutual Insurance Company	Each E/ee for Disease Each Accident	\$399,995
Liability Coverage (General, Law Enforcement, Public Officials)	Cities and Villages Mutual Insurance Company	\$5,000,000	\$75,645
Excess Public Entity Liability (General, Law Enforcement, Public Officials)	Darwin National Assurance Company	\$8,000,000	\$3,894
Employment Practices Liability	RSUI Indemnity Company	\$1,000,000	\$19,314
Crime Coverage	National Union Fire Ins. Co. of Pittsburgh	\$1,000,000	\$1,145

**CITY OF NEENAH, WISCONSIN**

**MISCELLANEOUS STATISTICS**

December 31, 2014

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

	2014	2013	2014	2013
<b>Population</b>	25,833	25,750		
<b>Area</b>				
Square Miles	9.6	9.6	361.0	361.0
Acres – Land	5,939.35	5,939.35	49.5	49.5
Acres - Water	198.34	198.34	211.9	211.9
<b>Altitude</b> – in feet	754.0	754.0	5.6	5.6
			0	0
<b>Miles of Streets</b>			83.5	83.5
Local Streets	98.78	98.78	6.34	6.34
Arterial/Collector Highways	36.33	36.33	12.5	12.5
	135.11	135.11		
<b>Number of Street Lights</b>	3,288	3,235		
<b>Municipal Water Utility</b>				
Average Number of Customers	10,491	10,796	4	4
Average Daily Consumption	2,448,422	4,093,397	63	67
Miles of Water Mains	141.44	141.8		
<b>Miles of Sewers</b>				
Storm	97.0	97.0	1	1
Sanitary	126.4	126.4	40	40
<b>Building Permits</b>				
Permits Issued	464	461		
Estimated Cost of Construction	\$29,304,330	\$43,309,051	383	383
			25	25
			1	1
<b>Permanent City Employees</b>				
Full Time	231	230	221,404	241,037
Part Time	36	32	931,911	962,756