

# **CITY OF NEENAH**

Neenah, Wisconsin

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2018

Prepared By:

DEPARTMENT OF FINANCE  
Michael K. Easker, CPA, Director  
Andrew Kahl, CPA, Assistant Comptroller

# CITY OF NEENAH

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2018

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June 26, 2019

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

The City of Neenah (the "City") 2018 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 2018 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 9.73 square mile area. Its current population is 26,137 based on 2018 estimates.

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



The Cities of Neenah, Appleton, Menasha and Oshkosh comprise an area known as the Fox Valley due to their location along the Fox River. This metropolitan area, which has an estimated population of over 400,000 people, is Wisconsin's third largest socio-economic market and one of its fastest growing metropolitan areas. The State of Wisconsin reports continue to pinpoint the Fox Cities as a leader in property valuation growth and high personal income.

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

Neenah's downtown is home to the world headquarters of Plexus Corporation and Alta Resources, 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. The Gateway Building, completed in 2017, has added over \$11 million to this figure. 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, building permits issued in the City last year leading to over approximately \$16 million in new construction.

Notable projects in 2018 included the Dayton Freight shipping facility addition and renovation at 1625 Bergstrom Road, an addition of a silo to Galloway Corp at 601 S. Commercial, a \$1,500,000 office renovation at Associated Bank in downtown Neenah and the construction of Tailwaggers – a pet care facility at 1077 Tullar Road. The Pendleton Parkway Apartments are partially completed and has an estimated cost of \$4,140,000. Dozens of smaller commercial and industrial remodel projects were completed 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 seven open TIF Districts. Existing districts include TIF Districts No. 5, No. 8 and No. 10 which are located in and adjacent to the City's downtown business and waterfront district. In the last six years, TIF No. 8 has seen the redevelopment of the City's waterfront as well as the development of the aforementioned Alta Resources office complex and the redevelopment of the Glatfelter site, including the previously noted Plexus World Headquarters and Affinity Medical Clinic. TID 10's Gateway Building is over 90,000 square feet and has brought several hundred jobs to the downtown district.

The City's other TIF districts include TIF No. 6, which serves the Southpark Industrial Center and TIF No. 7, which was created to support the City's Westside Business Corridor adjacent to Interstate 41. TIF No. 9, created in 2015, serves an area adjacent to Interstate 41 and is home to aforementioned Menasha Corp's new Global Headquarters. TIF 11 is composed of a multi-family commercial development that will include 184 units completed over five years.

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>1/1/18 Value</u>	<u>Increment</u>
5	1/1/93	4/21/15	4/22/30	\$13,458,200	\$30,306,300	\$16,848,100
6	1/1/97	3/9/15	3/20/30	2,869,600	31,146,500	28,276,900
7	1/1/00	7/4/22	7/05/37	39,227,000	134,802,100	95,575,100
8	1/1/01	9/4/23	9/05/38	14,743,600	74,174,100	59,430,500
9	1/1/15	3/17/36	3/18/42	10,327,400	20,431,800	10,104,400
10	1/1/15	8/4/36	8/05/42	3,681,600	17,936,300	14,254,700
11	1/1/17	2/1/33	2/1/38	117,700	2,705,600	2,587,900
						<u>\$227,077,600</u>

Neenah's future and economic development outlook remains strong and well positioned as the economy rebounds. Approximately 25 residential lots are available for new home construction, and opportunities for major commercial and industrial projects are available in planned business centers and at prime development sites.

### **COMMUNITY SERVICES**

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

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

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

To preserve the rich history of Neenah as a paper manufacturing community, Legacy Park was constructed in 2010 on a portion of the former Glatfelter Paper Mill site. The original smokestack from the Glatfelter Mill stands at the center of the park as a tribute to the employees and founders of a business that so strongly influenced the early years of Neenah's development. Visitors to the park can continue along the newly constructed extension of the Neenah Riverwalk, adjacent to the Plexus Headquarters, the Fox River and Little Lake Butte des Morts. In 2012, construction was completed on Gateway Plaza, a public plaza designed to provide space for civic functions as well as day-to-day users. This Plaza, located between Plexus Global Headquarters and the Affinity Medical Clinic, had the strong support of private donors. This partnership between the City and those generating private funds allowed the construction of a high-quality public space for the entire community to enjoy.

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

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

Neenah Public Library's use has increased significantly since the 50,000 square foot building opened in 2000. As of the end of 2018, Neenah Public Library was the 7<sup>th</sup> highest circulating library in the state, up from 10<sup>th</sup> place the year before, checking out over 860,000 items. In 2018, more than 1,000 programs, story times, classes, workshops, concerts, movies and other events were offered last year and attendance at programs reached an all-time high of 38,600. The Library provides high quality research services and readers' advisory services for all ages. Additional services include homebound delivery; collections created specifically for classrooms; meeting rooms for use by individuals, groups, businesses, and classes, including three rooms equipped with hearing loops for hearing impaired adults and children; free legal clinics; free volunteer tax preparation assistance; sensory bags for children with autism; book clubs; and monthly Memory Café meetings for those with dementia and their care partners. The Library promotes and provide literacy support for all ages and at all levels, from newborns through seniors. The Library continues to educate the community in the use of new technology through classes and workshops.

The City's private Bergstrom-Mahler Museum of Glass houses one of the world's most renowned collections of glass paperweights and glassware, plus other objects de arte.

It is the location of many public exhibits of nationally known artists in various mediums. Other cultural venues in the City include Pickard Auditorium, a 1,600-seat performing arts center used for local, regional and national touring productions.

City residents have access to both public and private colleges and universities in the Fox Valley region. Fox Valley Technical College ("FVTC") has two main campuses in Appleton and Oshkosh. It is ranked among the nation's top three vocational educational schools. The University of Wisconsin-Oshkosh ("UW-Oshkosh") is one of 13 universities administered by the Wisconsin Board of Regents. UW-Oshkosh has an approximate enrollment of 14,000 graduate and undergraduate students, employs approximately 1,700 people, and is located on a 167-acre campus along the Fox River. UW-Oshkosh was established in 1871. It offers a number of "advance study" classes at the Neenah High School campus for college bound students. Lawrence University, located in Appleton, was chartered in 1847 with the Methodist Church, but today is a non-sectarian and independent four-year liberal arts college. Appleton's Lawrence University, has an enrollment of approximately 1,500 students. Marian College, located in Fond du Lac, is another four-year liberal arts college, which also offers classes in the City. The University of Wisconsin-Fox Valley (two-year center) is located in Menasha.

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

### **FINANCIAL INFORMATION**

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

The City maintains strong budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual

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

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

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

### **INDEPENDENT AUDIT**

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

### **REPORTING ACHIEVEMENTS**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Neenah for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the 35th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for a period of one year. We believe that the 2018 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.



Michael K. Easker, CPA  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**City of Neenah  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO

**CITY OF NEENAH  
DIRECTORY OF OFFICIALS  
2018 – 2019**

**MAYOR**

Dean R. Kaufert

**PRESIDENT OF THE COUNCIL**

Todd Stevenson

**COUNCIL MEMBERS**

Aldermanic District 1:	Cari Lendrum
Aldermanic District 1:	Danae Steele
Aldermanic District 1:	Kathie Boyette
Aldermanic District 2:	Marge Bates
Aldermanic District 2:	Tami Erickson
Aldermanic District 2:	Christopher Kunz
Aldermanic District 3:	Todd Stevenson
Aldermanic District 3:	Lee Hillstrom
Aldermanic District 3:	Jane Lang

**OFFICERS**

Director of Finance	Michael K. Easker
City Attorney	James G. Godlewski
City Clerk	Patricia A. Sturn
Director of Human Resources and Safety	Heather C. Barber
Police Chief	Aaron Olson
Fire Chief	Kevin Kloehn
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	Michael Kading
Director of Information Systems	Joseph Wenninger
Director of Water Utility	Anthony Mach

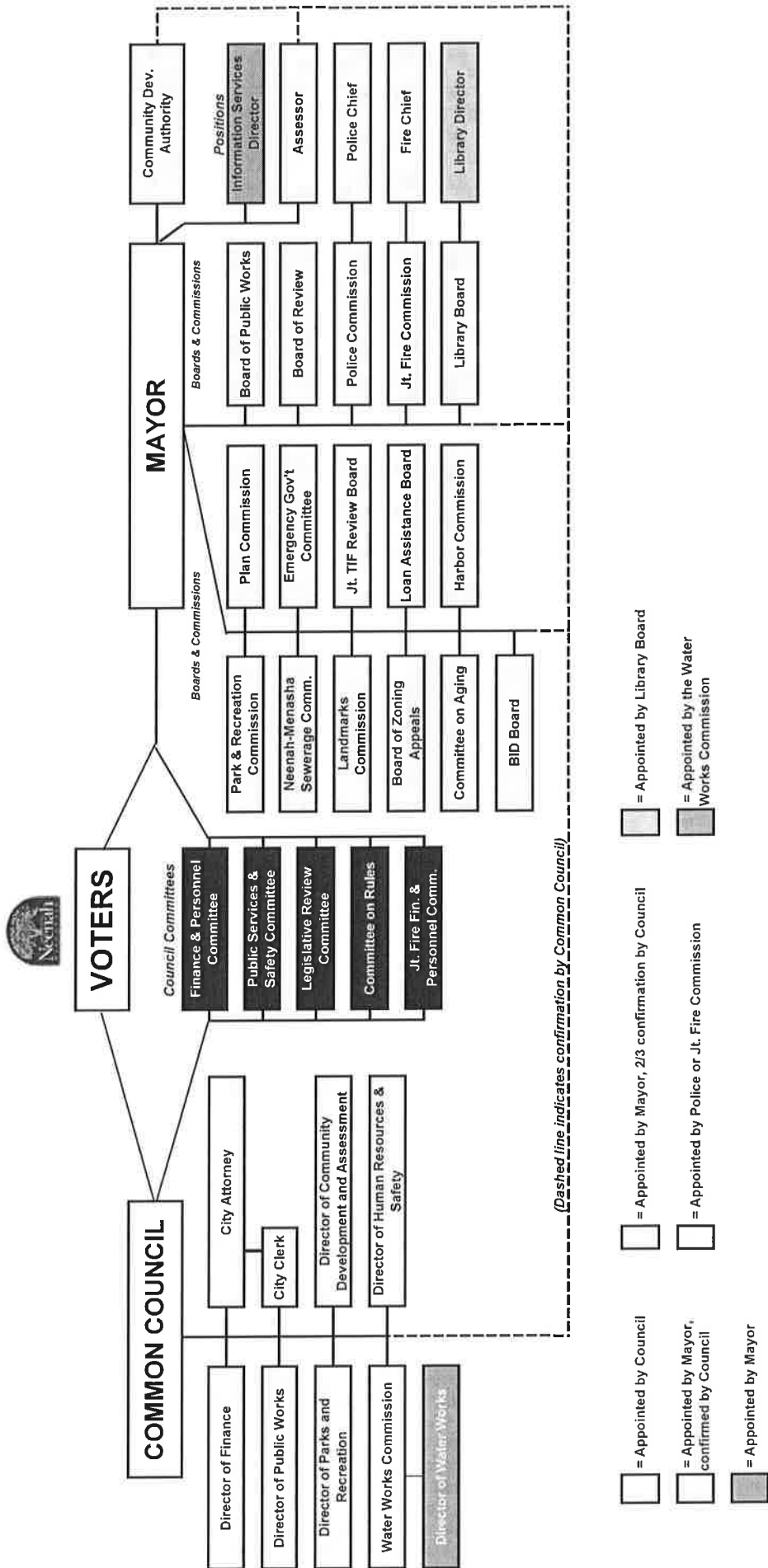
**STANDING FINANCE AND PERSONNEL COMMITTEE**

Aldersperson Tami Erickson (Chairman)  
Aldersperson Kathie Boyette (Vice Chairman)  
Aldersperson Danae Steele  
Aldersperson Christopher Kunz  
Aldersperson Todd Stevenson

**STANDING PUBLIC SERVICES AND SAFETY COMMITTEE**

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





# FINANCIAL SECTION

## 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Neenah, Wisconsin, as of and for the year ended December 31, 2018, 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.

## ***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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Neenah, Wisconsin, as of December 31, 2018 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***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 26, 2019

# MANAGEMENT'S DISCUSSION & ANALYSIS



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

The following discussion and analysis is intended to provide readers an overview of the financial activities of the City of Neenah (the "City") for the fiscal year ended December 31, 2018. 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.

### **THE FINANCIAL HIGHLIGHTS**

- > The City's net position (assets/deferred outflows of resources less liabilities/deferred inflows of resources) totals \$163,823,488 as of December 31, 2018. Net position from Governmental Activities account for \$92,405,995 of the total, an increase of \$970,637 from the previous year. Business-Type Activities net position was \$71,417,493, an increase of \$3,448,227 from 2017.
- > The City ended 2018 with a fund balance of \$14,353,661 for all Governmental Funds, a decrease of \$1,559,585 from 2017. This total includes \$4,220,834, which is unassigned, in the City's General Fund. This fund balance is 17.34% of the City's 2018 actual General Fund expenditures/other financing uses of \$24,345,670.
- > In 2018, the City issued \$8,295,000 in General Obligation ("G.O.") Notes backed by the full faith and credit of the City. Of those amounts, \$6,830,200 was attributed to Governmental Activities while \$1,464,800 was 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, 2018. 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 (nonbusiness-type activities).

The remaining statements on pages 9 through 14 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).

# Management's Discussion and Analysis (Unaudited)

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

As we begin to analyze the City's financial condition and operations as of December 31, 2018, we will try to answer some very basic questions. Is the City better or worse off financially than it was in 2017? 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, 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 Unit:** The City includes one separate entity, the Community Development Authority ("CDA"). Separate statements are not issued for the CDA. In previous reports, the City included the financial operations of the Business Improvement District ("BID"), another component unit of the City. It has been determined that the BID is not material to the City's operations and, therefore, is not presented. Separate financial statements are issued for the BID.

## 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 2018:

### *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 2018, the City of Neenah used special revenue funds to account for:

TIF District No. 5	Health Grants
TIF District No. 6	Parks and Recreation
TIF District No. 7	Dial-A-Ride
TIF District No. 8 (major fund)	Civic and Social
TIF District No. 9	Library
TIF District No. 10	Clock Tower Renovations
TIF District No. 11	Other
Community Development Block Grant	Cemetery Perpetual Care
Housing/Business Loans	Cemetery Flowers
Industrial Development	Walnut Employee Group
Recycling	



# 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 2018, the City of Neenah used capital project funds to account for:

Public Infrastructure (major fund)

TIF District No. 5

TIF District No. 6

TIF District No. 7

TIF District No. 8

TIF District No. 9

TIF District No. 10

TIF District No. 11

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

## Management's Discussion and Analysis (Unaudited)

and/or net income is appropriate for capital maintenance, public policy, management control and accountability or other purposes. In 2018, the City of Neenah used enterprise funds to account for:

Water Utility (major fund)  
Stormwater Utility (major fund)

Sewerage Disposal 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 2018, the City of Neenah used internal service funds to account for:

Fleet Management  
Benefit Accrual

Insurance  
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 2018, the City of Neenah used agency funds to account for:

Advance Tax Collections  
Neenah-Menasha Fire Rescue

Menasha-Neenah Municipal Court  
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 \$163,823,488 for the City of Neenah as of December 31, 2018. This includes total assets of \$283,645,285, deferred outflows of resources of \$6,946,351, total liabilities of \$97,079,541 and deferred inflows of resources of \$29,688,607. While the usefulness of these numbers in determining the financial position of the City continues to be somewhat debatable, it is useful to examine the specifics of the City's total net position.

Capital assets (land, buildings, building improvements, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress) account for approximately 74% of the City's total assets. This includes the City's investment in roads, sewers and bridges. Non-current liabilities, most of which were incurred to finance capital assets, account for approximately 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 48,950,049	\$ 45,968,818	\$ 26,089,795	\$ 25,727,315	\$ 75,039,844	\$ 71,696,133
Capital assets	131,938,833	129,484,333	76,666,608	76,062,900	208,605,441	205,547,233
Total assets	180,888,882	175,453,151	102,756,403	101,790,215	283,645,285	277,243,366
Deferred outflows of resources	6,387,058	7,426,648	559,293	716,672	6,946,351	8,143,320
Long-term liabilities	(63,191,900)	(63,955,433)	(27,976,652)	(31,191,929)	(91,168,552)	(95,147,362)
Other Liabilities	(2,508,740)	(2,613,592)	(3,402,249)	(3,069,064)	(5,910,989)	(5,682,656)
Total liabilities	(65,700,640)	(66,569,025)	(31,378,901)	(34,260,993)	(97,079,541)	(100,830,018)
Deferred inflows of resources	(29,169,305)	(24,875,416)	(519,302)	(276,628)	(29,688,607)	(25,152,044)
Net position:						
Net investment in capital assets	84,936,057	82,299,995	55,269,145	52,210,224	139,563,761	134,510,219
Restricted	13,961,930	10,184,992	1,580,378	1,282,390	15,542,308	11,467,382
Unrestricted (deficit)	(6,491,992)	(1,049,629)	14,567,970	14,476,652	8,717,419	13,427,023
Total net position	\$ 92,405,995	\$ 91,435,358	\$ 71,417,493	\$ 67,969,266	\$ 163,823,488	\$ 159,404,624

The total net position section includes an adjustment of \$641,441 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 30).

Net position for governmental activities increased \$970,637 from 2017, while net position for business-type activities rose by \$3,448,227. The increase in governmental activity net position is primarily due to a net increase in both current and capital assets. The net position for business-type activities benefited mainly from a reduction in long-term liabilities.

# Management's Discussion and Analysis (Unaudited)

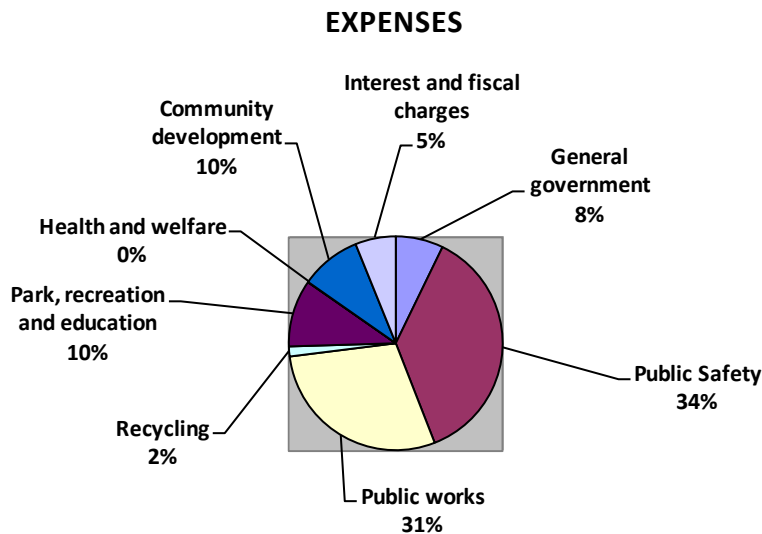
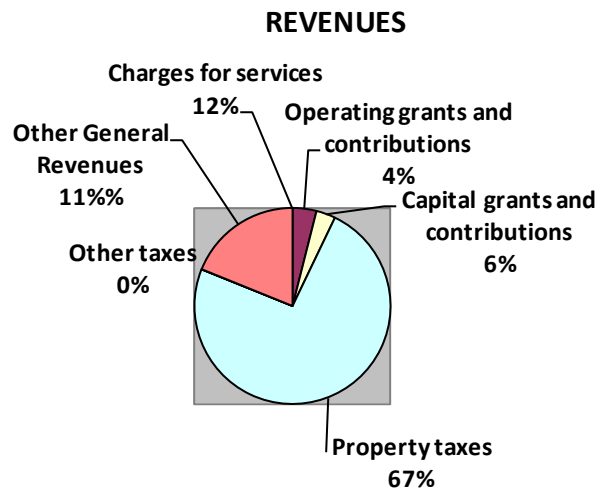
The following table provides a more detailed analysis of the City's change in net position:

## CITY OF NEENAH CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for services	\$ 3,763,445	\$ 3,602,489	\$ 14,632,064	\$ 14,498,775	\$ 18,395,509	\$ 18,101,264
Operating grants and contributions	1,282,215	1,116,518	-	-	1,282,215	1,116,518
Capital grants and contributions	1,968,844	898,998	417,035	581,956	2,385,879	1,480,954
General revenues						
Property taxes	21,559,906	20,893,503	-	-	21,559,906	20,893,503
Other taxes	11,215	5,323	-	-	11,215	5,323
Other general revenues	3,761,087	5,333,586	274,615	154,617	4,035,702	5,488,203
Total revenues	<u>32,346,712</u>	<u>31,850,417</u>	<u>15,323,714</u>	<u>15,235,348</u>	<u>47,670,426</u>	<u>47,085,765</u>
Expenses						
General government	2,585,411	2,344,268	-	-	2,585,411	2,344,268
Public safety	11,526,125	11,970,148	-	-	11,526,125	11,970,148
Public works	10,333,099	9,407,358	-	-	10,333,099	9,407,358
Recycling	503,160	486,056	-	-	503,160	486,056
Parks, recreation and education	3,500,210	3,297,219	-	-	3,500,210	3,297,219
Health and welfare	5,657	15,338	-	-	5,657	15,338
Community development	3,426,866	2,979,032	-	-	3,426,866	2,979,032
Interest and fiscal charges	1,830,239	1,988,522	-	-	1,830,239	1,988,522
Water utility	-	-	4,675,013	4,994,625	4,675,013	4,994,625
Sewer disposal utility	-	-	3,457,713	3,248,365	3,457,713	3,248,365
Storm water utility	-	-	1,166,081	1,206,662	1,166,081	1,206,662
Other proprietary funds	-	-	241,988	242,587	241,988	242,587
Total expenses	<u>33,710,767</u>	<u>32,487,941</u>	<u>9,540,795</u>	<u>9,692,239</u>	<u>43,251,562</u>	<u>42,180,180</u>
Increase (decrease) in net position before transfers	(1,364,055)	(637,524)	5,782,919	5,543,109	4,418,864	4,905,585
Transfers	2,334,692	2,464,355	(2,334,692)	(2,464,355)	-	-
Change in net position	970,637	1,826,831	3,448,227	3,078,754	4,418,864	4,905,585
Net position-beginning	91,435,358	89,608,527	67,969,266	64,890,512	159,404,624	154,499,039
Net position-end of year	<u>\$ 92,405,995</u>	<u>\$ 91,435,358</u>	<u>\$ 71,417,493</u>	<u>\$ 67,969,266</u>	<u>\$ 163,823,488</u>	<u>\$ 159,404,624</u>

Property taxes in 2018 accounted for 66.65% of total governmental activities revenue, while charges for services accounted for 95.49% all of revenues generated by business-type activities. Expenses for public safety and public works were 64.84% of all governmental activities expenses. Business-type activities expenses were mostly due to the operations of the Water Utility (49.00%) and Sewerage Disposal Utility (36.42%). 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 2018 with a fund balance of \$14,353,661 in its governmental funds, a decrease of \$1,559,585 (9.8%) from December 31, 2017.

#### *General Fund*

Similar to 2017, the City's General Fund realized a modest fund balance increase of \$212,174 (4.83%) from 2018 operations. Public Safety operations was the main contributor to the positive expenditure budget variances. These positive variances more than offset negative revenue variances in Intergovernmental Revenues, Fine and Forfeitures and Investment Income.

## Management's Discussion and Analysis (Unaudited)

Fund balance at year-end totaled \$4,602,170, of which \$4,220,834 is unassigned. This unassigned fund balance is 17.34% of the City's 2018 actual General Fund expenditures/other financing uses of \$24,345,670. Municipal credit analyst Standard and Poor's (S&P) considers the fund balance in the general fund an important measure of a City's financial condition. The fund balance of 17.34% of expenditures/other financing uses is considered a moderately strong fund balance by S&P and helps contribute to the City of Neenah's very strong AA/Stable bond rating.

### 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 \$882,802, which resulted in a fund balance deficit at year-end of \$6,004,893. This included a transfer of \$756,129 from donor TIF District No. 7. The primary reason for the decrease in the fund balance was debt service payments that were in excess of increment generated.

### 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 year ended with a fund balance of \$6,138,212. The net increase in fund balance during the year of \$605,817 was mainly caused by the City's decision to continue the practice, which began in 2012, to annually levy between \$700,000-\$900,000 for TIF-related Debt Service, funding that had previously been used to fund non-TIF debt service payments. That set aside, which now totals \$6,100,000 and 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. 2018 Debt Service expenditures also included a non-budgeted interest payment of \$130,028 on G.O Promissory Notes issued in early 2018. The interest payment was included as part of the final debt repayment structure due to the early debt issuance in 2018, an issuance which was expedited to take advantage of favorable interest rates.

### 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 expenditure of unspent borrowed funds from previous years led to a decrease in fund balance of \$331,623. This resulted in a fund balance at year-end of \$3,433,423.

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

The Special Revenue -TIF District No. 7 fund accounts for the accumulation of TIF tax increment generated by development in the district, and the corresponding transfer of funds to the City's general and debt service funds for administrative and debt service related costs. Increment generated for TIF No. 7 was more than sufficient to offset debt service payments, leading to an initial positive fund balance of \$756,129. As a donor TIF, TIF District No. 7 then transferred this full amount to TIF District No. 8, leading to the final fund balance of \$0.

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

### **Capital Projects – TIF District No. 8**

This fund accounts for resources to be used to fund redevelopment projects within the City's Doty Island and Riverwalk Zone improvement districts. Unspent borrowed funds in 2018 led to an increase in fund balance of \$146,773. This resulted in a positive year-end balance of \$2,113,953. This amount includes Debt Service Reserve funds set aside in trust that will be used to make final year debt service payments on current CDA debt outstanding.

### **Capital Projects – TIF District No. 10**

This fund accounts for resources to be used to fund redevelopment projects within the City's Near Downtown improvement district. The expenditure of unspent borrowed funds from previous years, along with the pre-funding of projects borrowed for in 2018, led to a decrease in fund balance of \$47,242. This resulted in a negative fund balance at year-end of \$679,943.

## **Proprietary Funds**

### **Water Utility**

The water utility's operating income was \$3,719,219 in 2018, with net income before transfers and contributions of \$3,586,779. These positive operating results lead to an increase in net position of \$2,730,522. The water utility's 2018 rate of return is 8.31%, compared to 7.37% in 2017. Positive operating outcomes are the result of ongoing stable results in both operating revenues expenses within a currently positive budgetary structure.

### **Sewerage Disposal Utility**

The sewerage disposal utility realized an operating gain, before transfers and contributions, of \$1,073,353. Overall net position increased by \$524,131. 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 2018.

### **Storm Water Utility**

In 2018, the utility had operating income of \$651,167 and an increase in net position of \$224,255. Stability in both rates to customers as well as operations continue to be the driving force behind ongoing positive operating results.

## **BUDGETARY ANALYSIS**

The City's 2018 General Fund adopted expenditure budget totaled \$24,587,660. The Common Council approved both budget amendments and departmental 2018 carryover requests of 2017 unspent operating funds totaling \$146,423 for an amended expenditure budget of \$24,734,083. The City's final adopted General Fund revenue budget totaled \$24,427,660. The 2018 adopted budget, before carryovers, also included the use of \$160,000 (\$150,000 City and \$10,000 Library) of reserves to balance the General Fund operating budget.

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

The City ended 2018 with a total fund balance increase of \$212,174 and an unassigned fund balance increase of \$242,665 from 2017, maintaining a stable and positive trend established over recent years.

Actual general fund revenue was \$130,184 (.53%) more than budget. With the exception of Taxes, the City experienced positive variances in all revenue categories, including Intergovernmental Revenues (\$3,440), Licenses and Permits (\$39,003), Fines, Forfeitures and Penalties (\$13,168), Charges for Services (\$28,212), Investment Income/Miscellaneous (\$39,549) and Other Financing Sources (\$6,814).

General fund expenditures finished 2018 with a favorable budget variance of \$388,413 (1.57%). Public Safety was responsible for a significant portion of that positive variance (\$357,401). Other positive variances occurred within Health and Welfare (\$131), Community Development (\$63,530) and Other (\$9,746). Negative variances occurred within General Government (\$11,405), Public Works (\$10,886), Parks, Recreation and Education (\$13,023), and Other Financing Sources (\$7,081). Statements highlighting budget versus actual variances can be found on pages 73 through 76 of this report.

In summary, the City's combined positive revenue variance of \$130,184 and positive expenditure variance of \$388,413 led to a 2018 General Fund operating gain of \$518,597. This number, when reduced by the 2018 budgeted use of reserves of \$160,000 and by the 2018 carryovers of \$146,423, equals the total increase in fund balance of \$212,174 for fiscal year 2018.

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

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

At the end of 2018, the City of Neenah had a net investment in capital assets of \$208,605,441 for all governmental and business-type activities of the City. This is an increase of \$3,058,208 or 1.49%, from the end of 2017.

Major capital asset additions (before depreciation) that took place in the City's governmental activities include net additions to Land (\$402,789), Land Improvements (\$53,567), Improvements (\$2,120,754), Streets (\$1,017,767), Street Lighting (\$109,624), Traffic Signals (\$81,744) and Sidewalks/Trails (\$251,598). Major capital asset net deletions/adjustments (before depreciation) include Construction in Progress (\$695,286), Buildings (\$104,544), Equipment, Furniture and Fixtures (\$76,464).

In the City's business-type activities, the Water Utility experienced a net increase (before accumulated depreciation) in Treatment (\$106,183) and Transmission and Distribution (\$1,028,862). The City's Sewerage Disposal Utility saw a net increase in Collection System (\$395,999) and Collection System Pumping (\$72,900), while the Storm Water Utility also had a net addition in Collection System (\$576,916) and Equipment (\$298,326). The City's Parking Utility saw no major reduction in any categories in 2018. The following table provides a summary of the City's change in capital assets:



# Management's Discussion and Analysis (Unaudited)

## CITY OF NEENAH CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 14,603,297	\$ 14,200,508	\$ 280,447	\$ 280,447	\$ 14,883,744	\$ 14,480,955
Detention Ponds	-	-	3,499,715	3,421,404	3,499,715	3,421,404
Right-of-way	13,114,508	13,119,594	-	-	13,114,508	13,119,594
Land Improvements	10,478,132	10,424,565	-	-	10,478,132	10,424,565
Depreciable Capital Assets	156,308,203	152,927,848	111,047,138	108,541,928	267,355,341	261,469,776
Construction in progress	82,971	778,257	-	-	82,971	778,257
Total capital assets	194,587,111	191,450,772	114,827,300	112,243,779	309,414,411	303,694,551
Less accumulated depreciation	(62,648,278)	(61,966,439)	(38,160,692)	(36,180,879)	(100,808,970)	(98,147,318)
Capital assets net of depreciation	<u>\$ 131,938,833</u>	<u>\$ 129,484,333</u>	<u>\$ 76,666,608</u>	<u>\$ 76,062,900</u>	<u>\$ 208,605,441</u>	<u>\$ 205,547,233</u>

More detail regarding the City's capital assets can be found in Note IV (D) on pages 42 to 45 of this report.

### Outstanding Debt

The City's outstanding general obligation debt (backed by the full faith and credit of City taxpayers) as of December 31, 2018 totaled \$48,858,100. The City also had a revenue debt outstanding of \$21,669,936 backed by revenues generated from the Neenah Water Utility (\$12,545,475) and Storm Water Utility (\$305,843). The revenue debt total also includes \$8,818,618 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 \$18,046,143 owed to the City's Community Development Authority (CDA).

In 2018, the City issued \$8,295,000 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	\$5,870,200
Tax Incremental Financing Districts	960,000
Sanitary Sewer Utility	675,000
Storm Water Utility	789,800
Total	<u>\$8,295,000</u>

City outstanding G.O. notes and bonds carry a AA/stable rating from Standard & Poor's. Moody's current rating for all outstanding water utility revenue debt is Aa3.

## Management's Discussion and Analysis (Unaudited)

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized valuation. Based upon the City's 2018 equalized value of \$2,209,662,100, the City's statutory debt limit totaled \$110,483,105. Excluding excess funds available in the Debt Service Fund, the City was at 44.2% of its legal debt limit as of December 31, 2018.

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

CITY OF NEENAH OUTSTANDING DEBT						
	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds and notes	\$ 40,171,940	\$ 38,779,814	\$ 8,686,160	\$ 9,012,626	\$ 48,858,100	\$ 47,792,440
Capital Leases	18,046,143	19,046,197	-	-	18,046,143	19,046,197
Revenue bonds	-	-	21,669,936	24,302,955	21,669,936	24,302,955
Total	\$ 58,218,083	\$ 57,826,011	\$ 30,356,096	\$ 33,315,581	\$ 88,574,179	\$ 91,141,592

More detail regarding the City's outstanding debt can be found in Note IV (F) on pages 50 through 55 of this report.

### ECONOMIC FACTORS, 2018 TAX RATES AND THE 2019 BUDGET

As we enter 2019, the City of Neenah continues to experience relative stability in city government and ongoing signs of positive growth in the community as a whole. The improving national, state and regional economy as well ongoing strength locally continue to put the City in a healthy position moving forward. While challenges still exist, the City believes it is well positioned to meet ongoing and future issues as they arise.

The City showed strong growth in housing, commercial and industrial property values in 2018, reflected by a 5.46% increase in equalized value from 2017. Entering 2019, 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.

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. In its most recent rating report affirming the City's AA/Stable rating, Standard and Poors (S&P) noted the following positive or very positive attributes: Adequate economy; Strong management; Strong budgetary performance and; Very strong budgetary flexibility, Very strong liquidity and Strong institutional framework. The only negative attribute noted was a weak debt and contingent liability profile.

In summary, these attributes have allowed the City to position itself 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.

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

Regarding budgetary matters, the City's 2019 budget provided for an operating tax levy increase of .86% (before TIF), with a 1.33% increase after TIF. This translated into an assessed tax rate (after TIF) for City services of \$9.6342 per \$1,000 of assessed valuation (a 1.50% increase). The corresponding equalized tax rate is \$8.5511 per \$1,000 of equalized value (a 3.92% decrease). In addition, the City implemented a Transportation Assessment Replacement Fee (TARF) on all property owners effective January 2019. The purpose of the TARF is to generate revenue that would allow the City to eliminate special assessments for Street Resurfacing, Street Reconstruction and Sidewalk Construction projects. The fee was set at \$23 per Impervious Area Unit (IAU) for the next five years and is expected to generate approximately \$400,000 in revenue annually.

In the City's enterprise funds, the City's Water Utility continues on sound financial footing. A large rate increase in 2011 coupled with operating cost reductions utility-wide have contributed to this ongoing stability. This includes the systematic drawdown of the Water Utility's long-term debt. The recent business location of a large water user in the City Business Park, as well as other business retention and development should bode well for stable or increased water sales in 2019 and beyond. The Utility's rate of return for 2018 was 8.31%. The Sanitary Sewer Utility experienced five rate increases from 2009-2014, with no changes implemented for 2015-2018. 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. A rate study is close to completion with recommendations planned that could affect rates beginning in late 2019 or early 2020. The City's Stormwater Utility have remained unchanged for the past seven years, with no plans for modifications in the foreseeable future. The Storm Water Utility charges all properties in the City a fee based upon the approximate impervious surface (ERU) of the property, which contributes to stormwater 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).

# BASIC FINANCIAL STATEMENTS & NOTES

**CITY OF NEENAH**

STATEMENT OF NET POSITION  
As of December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 14,999,255	\$ 12,806,605	\$ 27,805,860	\$ -
Receivables (net)				
Taxes	22,622,417	-	22,622,417	-
Delinquent personal property	16,652	-	16,652	-
Special assessments	1,042,229	227,040	1,269,269	-
Loans	473,439	-	473,439	-
Accrued interest	132,652	-	132,652	52,881
Accounts	291,112	1,487,057	1,778,169	-
Unbilled revenues	-	1,540,476	1,540,476	-
Other	618,376	9,188	627,564	-
Internal balances	864,814	(864,814)	-	-
Due from component unit	2,159,226	-	2,159,226	-
Due from other governments	26,404	8,818,618	8,845,022	-
Lease receivable from primary government	-	-	-	18,046,143
Inventories	214,223	115,935	330,158	-
Prepaid items	145,497	49	145,546	-
Restricted Assets				
Cash and investments	-	1,671,842	1,671,842	2,159,226
Accrued interest	-	3,765	3,765	-
Net pension asset	3,453,598	273,465	3,727,063	-
Deposit with risk pool	1,117,155	-	1,117,155	-
Other assets	-	569	569	-
Land held for resale	773,000	-	773,000	-
Capital Assets				
Land	14,603,297	280,447	14,883,744	-
Detention ponds	-	3,499,715	3,499,715	-
Right-of-way	13,114,508	-	13,114,508	-
Land improvements	10,478,132	-	10,478,132	-
Construction in progress	82,971	-	82,971	-
Depreciable capital assets, net	93,659,925	72,886,446	166,546,371	-
Total Assets	180,888,882	102,756,403	283,645,285	20,258,250
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on advance refunding	55,185	26,656	81,841	843,857
Pension related amounts	6,331,873	532,637	6,864,510	-
Total Deferred Outflows of Resources	6,387,058	559,293	6,946,351	843,857
<b>LIABILITIES</b>				
Accounts payable	1,060,177	523,971	1,584,148	-
Other accrued liabilities	790,484	92,540	883,024	52,881
Claims payable	69,805	-	69,805	-
Due to other governmental units	296	-	296	-
Due to primary government	-	-	-	2,159,226
Other liabilities	571,326	36,560	607,886	-
Unearned revenue	16,652	7,434	24,086	-
Liabilities Payable From Restricted Assets				
Current maturities of revenue debt	-	2,695,815	2,695,815	-
Accrued interest	-	45,929	45,929	-
Noncurrent Liabilities				
Due within one year	8,337,786	1,708,165	10,045,951	1,085,000
Due in more than one year	54,854,114	26,268,487	81,122,601	17,805,000
Total Liabilities	65,700,640	31,378,901	97,079,541	21,102,107
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for next period	22,342,380	-	22,342,380	-
Pension related amounts	6,826,925	519,302	7,346,227	-
Total Deferred Inflows of Resources	29,169,305	519,302	29,688,607	-
<b>NET POSITION</b>				
Net investment in capital assets	84,936,057	55,269,145	139,563,761	-
Restricted for				
Debt service	6,131,756	1,056,913	7,188,669	-
TIF Districts	882,553	-	882,553	-
Loans	689,699	-	689,699	-
Grant programs	79,933	-	79,933	-
Library	1,425,267	-	1,425,267	-
Cemetery	1,299,124	-	1,299,124	-
Net pension asset	3,453,598	273,465	3,727,063	-
Depreciation	-	250,000	250,000	-
Unrestricted (deficit)	(6,491,992)	14,567,970	8,717,419	-
<b>TOTAL NET POSITION</b>	\$ 92,405,995	\$ 71,417,493	\$ 163,823,488	\$ -

See accompanying notes to financial statements.

# CITY OF NEENAH

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,585,411	\$ 937,286	\$ -	\$ -
Public safety	11,526,125	468,549	191,965	-
Public works	10,333,099	204,896	-	1,755,660
Recycling	503,160	322,164	249,029	-
Parks, recreation, and education	3,500,210	1,489,234	203,983	213,184
Health and welfare	5,657	89,046	-	-
Community development	3,426,866	252,270	637,238	-
Interest and fiscal charges	1,830,239	-	-	-
Total Governmental Activities	33,710,767	3,763,445	1,282,215	1,968,844
Business-type Activities				
Water utility	4,675,013	8,088,402	-	114,925
Sewerage disposal utility	3,457,713	4,483,909	-	283,718
Stormwater utility	1,166,081	1,731,216	-	18,392
Parking utility	241,988	328,537	-	-
Total Business-type Activities	9,540,795	14,632,064	-	417,035
Total Primary Government	\$ 43,251,562	\$ 18,395,509	\$ 1,282,215	\$ 2,385,879
Component Unit - Business-type Activities				
Community Development Authority	\$ 727,089	\$ -	\$ -	\$ -

### 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

Gain on sale of capital assets

Miscellaneous

#### Transfers

Total General Revenues and Transfers

### Change in net position

NET POSITION - Beginning

**NET POSITION - Ending**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	
\$ (1,648,125)	\$ -	\$ (1,648,125)	\$ -
(10,865,611)	-	(10,865,611)	-
(8,372,543)	-	(8,372,543)	-
68,033	-	68,033	-
(1,593,809)	-	(1,593,809)	-
83,389	-	83,389	-
(2,537,358)	-	(2,537,358)	-
(1,830,239)	-	(1,830,239)	-
<u>(26,696,263)</u>	<u>-</u>	<u>(26,696,263)</u>	<u>-</u>
-	3,528,314	3,528,314	-
-	1,309,914	1,309,914	-
-	583,527	583,527	-
-	<u>86,549</u>	<u>86,549</u>	-
-	<u>5,508,304</u>	<u>5,508,304</u>	-
<u>(26,696,263)</u>	<u>5,508,304</u>	<u>(21,187,959)</u>	-
-	-	-	(727,089)
13,419,262	-	13,419,262	-
3,390,000	-	3,390,000	-
4,750,644	-	4,750,644	-
11,215	-	11,215	-
2,824,481	-	2,824,481	-
385,998	239,922	625,920	727,089
-	3,300	3,300	-
550,608	31,393	582,001	-
<u>2,334,692</u>	<u>(2,334,692)</u>	<u>-</u>	-
<u>27,666,900</u>	<u>(2,060,077)</u>	<u>25,606,823</u>	<u>727,089</u>
970,637	3,448,227	4,418,864	-
<u>91,435,358</u>	<u>67,969,266</u>	<u>159,404,624</u>	-
<u>\$ 92,405,995</u>	<u>\$ 71,417,493</u>	<u>\$ 163,823,488</u>	<u>\$ -</u>

See accompanying notes to financial statements.

# CITY OF NEENAH

## BALANCE SHEET - GOVERNMENTAL FUNDS As of December 31, 2018

	General	Special Revenue - TIF District No. 8
<b>ASSETS</b>		
Cash and investments	\$ 3,584,405	\$ -
Receivables (net)		
Taxes	13,817,211	1,305,284
Delinquent personal property	16,652	-
Special assessments	2,433	-
Loans	-	-
Accrued interest	132,652	-
Other	445,328	17,477
Due from other funds	971,182	-
Due from component unit	-	-
Due from other governments	26,404	-
Inventories	294	-
Prepaid items	27,371	-
Advances to other funds	-	-
<b>TOTAL ASSETS</b>	<b>\$ 19,023,932</b>	<b>\$ 1,322,761</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 302,512	\$ 156
Other accrued liabilities	283,770	-
Due to other governmental units	296	-
Due to other funds	106,368	-
Other liabilities	-	-
Advances from other funds	-	6,022,214
Total Liabilities	<u>692,946</u>	<u>6,022,370</u>
Deferred Inflows of Resources		
Property tax levied for next period	13,709,448	1,305,284
Unavailable revenue	19,368	-
Total Deferred Inflows of Resources	<u>13,728,816</u>	<u>1,305,284</u>
Fund Balances		
Nonspendable:		
Delinquent personal property taxes	16,652	-
Inventories	294	-
Prepaid items	27,371	-
Restricted	-	-
Committed	-	-
Assigned	337,019	-
Unassigned (deficit)	<u>4,220,834</u>	<u>(6,004,893)</u>
Total Fund Balances	<u>4,602,170</u>	<u>(6,004,893)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 19,023,932</b>	<b>\$ 1,322,761</b>

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

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

Assets held for resale are not reported in the funds.

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

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

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

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

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

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

### NET POSITION OF GOVERNMENTAL ACTIVITIES



<u>Debt Service</u>	<u>Capital Projects - Public Infrastructure</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,443,442	\$ 5,812,192	\$ 10,840,039
3,457,274	-	4,042,648	22,622,417
-	-	-	16,652
480,504	559,292	-	1,042,229
-	-	473,439	473,439
-	-	-	132,652
-	58,834	96,737	618,376
-	153,030	-	1,124,212
-	-	2,159,226	2,159,226
-	-	-	26,404
-	-	-	294
-	-	2,181	29,552
<u>6,118,417</u>	<u>2,006,629</u>	<u>2,378,859</u>	<u>10,503,905</u>
<u>\$ 10,056,195</u>	<u>\$ 4,221,227</u>	<u>\$ 14,965,282</u>	<u>\$ 49,589,397</u>
\$ 68	\$ 304,911	\$ 167,760	\$ 775,407
-	-	-	283,770
-	-	-	296
153,030	-	-	259,398
-	482,893	88,434	571,327
-	-	4,481,691	10,503,905
<u>153,098</u>	<u>787,804</u>	<u>4,737,885</u>	<u>12,394,103</u>
3,285,000	-	4,042,648	22,342,380
<u>479,885</u>	<u>-</u>	<u>-</u>	<u>499,253</u>
<u>3,764,885</u>	<u>-</u>	<u>4,042,648</u>	<u>22,841,633</u>
-	-	-	16,652
-	-	-	294
-	-	2,181	29,552
6,138,212	-	6,919,498	13,057,710
-	-	1,197,580	1,197,580
-	3,433,423	1,313,336	5,083,778
-	-	(3,247,846)	(5,031,905)
<u>6,138,212</u>	<u>3,433,423</u>	<u>6,184,749</u>	<u>14,353,661</u>
<u>\$ 10,056,195</u>	<u>\$ 4,221,227</u>	<u>\$ 14,965,282</u>	
			131,938,833
			773,000
			499,253
			2,882,836
			(61,000,134)
			3,453,598
			6,331,873
			(6,826,925)
			<u>\$ 92,405,995</u>

See accompanying notes to financial statements.

# CITY OF NEENAH

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2018

	General	Special Revenue - TIF District No. 8	Debt Service
<b>REVENUES</b>			
Taxes	\$ 13,444,458	\$ 1,324,692	\$ 3,390,000
Intergovernmental	3,841,970	222,030	110,513
Licenses and permits	326,303	-	-
Fines, forfeitures and penalties	103,068	-	-
Special assessments	-	-	360,132
Charges for services	2,774,532	-	-
Contributions	-	-	-
Investment income and miscellaneous	677,429	113,614	-
Total Revenues	<u>21,167,760</u>	<u>1,660,336</u>	<u>3,860,645</u>
<b>EXPENDITURES</b>			
Current			
General government	2,537,061	-	-
Public safety	11,365,711	-	-
Public works	4,274,872	-	-
Recycling	-	-	-
Parks, recreation, and education	4,194,538	-	-
Health and welfare	119	-	-
Community development	1,660,804	9,468	-
Conservation and development	-	-	-
Other	293,484	-	-
Capital Outlay	-	-	-
Debt Service			
Principal retirement	-	1,075,000	5,438,075
Interest and fiscal charges	-	837,211	1,087,418
Total Expenditures	<u>24,326,589</u>	<u>1,921,679</u>	<u>6,525,493</u>
Excess (deficiency) of revenues over expenditures	<u>(3,158,829)</u>	<u>(261,343)</u>	<u>(2,664,848)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	-	27,970
Premium on debt	-	184	108,091
Sale of city property	166,723	-	-
Transfers in	3,223,361	756,129	3,134,604
Transfers out	(19,081)	(1,377,772)	-
Total Other Financing Sources (Uses)	<u>3,371,003</u>	<u>(621,459)</u>	<u>3,270,665</u>
<b>Net Change in Fund Balance</b>	212,174	(882,802)	605,817
FUND BALANCES (DEFICIT) - Beginning	<u>4,389,996</u>	<u>(5,122,091)</u>	<u>5,532,395</u>
<b>FUND BALANCES (DEFICIT) - ENDING</b>	<u>\$ 4,602,170</u>	<u>\$ (6,004,893)</u>	<u>\$ 6,138,212</u>

Capital Projects - Public Infrastructure	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 3,748,116	\$ 21,907,266
58,630	1,108,221	5,341,364
-	-	326,303
-	-	103,068
-	-	360,132
-	-	2,774,532
-	275,439	275,439
-	300,770	1,091,813
58,630	5,432,546	32,179,917
-	-	2,537,061
-	46,111	11,411,822
-	-	4,274,872
-	609,632	609,632
-	100,500	4,295,038
-	3,316	3,435
-	833,416	2,503,688
-	150	150
-	-	293,484
3,116,434	5,966,003	9,082,437
-	-	6,513,075
-	5,927	1,930,556
3,116,434	7,565,055	43,455,250
(3,057,804)	(2,132,509)	(11,275,333)
2,782,380	4,019,850	6,830,200
-	17,492	125,767
-	13,318	180,041
-	543,283	7,657,377
(56,199)	(3,624,585)	(5,077,637)
2,726,181	969,358	9,715,748
(331,623)	(1,163,151)	(1,559,585)
3,765,046	7,347,900	15,913,246
\$ 3,433,423	\$ 6,184,749	\$ 14,353,661

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, 2018

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Net change in fund balances - total governmental funds	\$ (1,559,585)
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Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of net position the cost of these assets is capitalized and they are  
depreciated over their estimated useful lives with depreciation expense reported  
in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	9,082,437
Some items are reported as capital outlay but are not capitalized	(1,872,307)
Depreciation is reported in the government-wide statements	(3,826,562)
Net book value of assets retired	(929,068)

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.	(10,510)
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Debt and leases issued provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which issues (\$6,830,200 for general obligation debt and \$74,946 for the change in the unamortized loss on the CDA refunding) were less than the payments (\$5,438,075 for principal of general obligation debt and \$1,075,000 for principal of capital lease).	(392,071)
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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.	121,697
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(54,706)
Accrued interest on debt	(24,900)
Other post-employment benefits	346,072
Amortization of loss on advance refunding	(47,301)
Net pension asset	4,396,012
Deferred outflow of resources related to pensions	(992,289)
Deferred inflow of resources related to pensions	(3,873,909)

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.	607,627
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 970,637</b>
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See accompanying notes to financial statements.

**CITY OF NEENAH**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
As of December 31, 2018

	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	\$ 6,999,609	\$ 2,399,558	\$ 3,402,905	\$ 4,533	\$ 12,806,605	\$ 4,159,216
Accounts receivable	802,958	532,567	150,487	1,045	1,487,057	291,112
Unbilled revenues	851,489	543,656	145,331	-	1,540,476	-
Other accounts receivable	9,188	-	-	-	9,188	-
Due from other funds	99	104,689	1,580	-	106,368	-
Inventories	115,935	-	-	-	115,935	213,929
Prepaid items	49	-	-	-	49	115,945
Current portion of due from other governments	-	528,622	-	-	528,622	-
Other assets	569	-	-	-	569	-
Restricted Assets						
Bond redemption account	1,085,405	-	17,437	-	1,102,842	-
Total Current Assets	9,865,301	4,109,092	3,717,740	5,578	17,697,711	4,780,202
Noncurrent Assets						
Restricted Assets						
Bond depreciation account	250,000	-	-	-	250,000	-
Bond reserve account	319,000	-	-	-	319,000	-
Interest receivable	3,765	-	-	-	3,765	-
Net pension asset	205,065	19,123	44,072	5,205	273,465	-
Deposit with risk pool	-	-	-	-	-	1,117,155
Capital Assets						
Land	122,180	-	-	158,267	280,447	-
Detention ponds	-	-	3,499,715	-	3,499,715	-
Plant in service	63,111,054	28,232,040	19,672,327	31,717	111,047,138	-
Accumulated depreciation	(20,761,852)	(10,517,265)	(6,849,858)	(31,717)	(38,160,692)	-
Due from other governments	-	8,289,996	-	-	8,289,996	-
Other Assets						
Special assessments	-	223,277	3,763	-	227,040	-
Total Noncurrent Assets	43,249,212	26,247,171	16,370,019	163,472	86,029,874	1,117,155
Total Assets	53,114,513	30,356,263	20,087,759	169,050	103,727,585	5,897,357
Deferred Outflows of Resources						
Unamortized loss on advance refunding	11,085	6,164	9,407	-	26,656	-
Pension related amounts	385,455	38,998	86,382	21,802	532,637	-
Total Deferred Outflows of Resources	396,540	45,162	95,789	21,802	559,293	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 53,511,053</b>	<b>\$ 30,401,425</b>	<b>\$ 20,183,548</b>	<b>\$ 190,852</b>	<b>\$ 104,286,878</b>	<b>\$ 5,897,357</b>

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewerage	Stormwater	Nonmajor	Total	Activities -
	Utility	Disposal	Utility	(Parking Utility)	Enterprise	Internal Service
		Utility			Funds	Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>						
Current Liabilities						
Accounts payable	\$ 407,478	\$ 61,118	\$ 47,755	\$ 7,620	\$ 523,971	\$ 284,770
Other accrued liabilities	-	43,738	29,715	19,087	92,540	20,371
Claims payable	-	-	-	-	-	69,805
Due to other funds	971,182	-	-	-	971,182	-
Other current liabilities	36,560	-	-	-	36,560	-
Unearned revenue	7,434	-	-	-	7,434	16,652
Compensated absences	34,019	-	-	-	34,019	1,512,333
General obligation debt	-	1,169,766	504,380	-	1,674,146	-
Current Liabilities Payable From Restricted Assets						
Current maturities of revenue debt	2,143,501	528,622	23,692	-	2,695,815	-
Accrued interest	44,322	-	1,607	-	45,929	-
Total Current Liabilities	3,644,496	1,803,244	607,149	26,707	6,081,596	1,903,931
Noncurrent Liabilities						
General obligation debt payable (including unamortized premium)	-	4,365,617	2,790,707	-	7,156,324	-
Revenue debt (including unamortized premium)	10,463,305	8,289,996	282,151	-	19,035,452	-
Compensated absences	76,711	-	-	-	76,711	1,110,590
Total Noncurrent Liabilities	10,540,016	12,655,613	3,072,858	-	26,268,487	1,110,590
Total Liabilities	14,184,512	14,458,857	3,680,007	26,707	32,350,083	3,014,521
Deferred Inflows of Resources						
Pension related amounts	390,939	31,977	84,623	11,763	519,302	-
<b>NET POSITION</b>						
Net investment in capital assets	30,194,661	12,185,556	12,730,661	158,267	55,269,145	-
Restricted for debt service	1,041,083	-	15,830	-	1,056,913	-
Restricted for depreciation	250,000	-	-	-	250,000	-
Restricted for pension	205,065	19,123	44,072	5,205	273,465	-
Unrestricted (deficit)	7,244,793	3,705,912	3,628,355	(11,090)	14,567,970	2,882,836
Total Net Position	38,935,602	15,910,591	16,418,918	152,382	71,417,493	2,882,836
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>						
	\$ 53,511,053	\$ 30,401,425	\$ 20,183,548	\$ 190,852	\$ 104,286,878	\$ 5,897,357

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, 2018

	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	\$ -	\$ 41,361	\$ -	\$ 328,537	\$ 369,898	\$ -
Charges for services	7,820,806	4,442,548	1,709,633	-	13,972,987	9,147,176
Miscellaneous operating income	267,596	-	21,583	-	289,179	-
Total Operating Revenues	<u>8,088,402</u>	<u>4,483,909</u>	<u>1,731,216</u>	<u>328,537</u>	<u>14,632,064</u>	<u>9,147,176</u>
<b>OPERATING EXPENSES</b>						
Utility operations	2,875,825	2,909,988	815,287	241,988	6,843,088	-
Depreciation	1,493,358	423,564	264,762	-	2,181,684	-
Other	-	-	-	-	-	8,294,501
Total Operating Expenses	<u>4,369,183</u>	<u>3,333,552</u>	<u>1,080,049</u>	<u>241,988</u>	<u>9,024,772</u>	<u>8,294,501</u>
Operating Income	<u>3,719,219</u>	<u>1,150,357</u>	<u>651,167</u>	<u>86,549</u>	<u>5,607,292</u>	<u>852,675</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	144,625	47,157	54,068	-	245,850	-
Unrealized loss on investments	(5,928)	-	-	-	(5,928)	-
Miscellaneous non-operating income	31,393	-	-	-	31,393	-
Gain on sale of capital assets	3,300	-	-	-	3,300	-
Interest expense	(319,633)	(114,772)	(73,166)	-	(507,571)	-
Amortization of loss on advance refunding	(4,022)	(5,284)	(8,063)	-	(17,369)	-
Debt issuance costs	-	(4,105)	(4,803)	-	(8,908)	-
Amortization of premium	17,825	-	-	-	17,825	-
Total Nonoperating Revenues (Expenses)	<u>(132,440)</u>	<u>(77,004)</u>	<u>(31,964)</u>	<u>-</u>	<u>(241,408)</u>	<u>-</u>
Income Before Contributions and Transfers	3,586,779	1,073,353	619,203	86,549	5,365,884	852,675
Capital contributions	114,925	283,718	18,392	-	417,035	-
Transfers out	-	(832,940)	(413,340)	(117,230)	(1,363,510)	(245,048)
Transfers - tax equivalent	(971,182)	-	-	-	(971,182)	-
<b>Change in Net Position</b>	2,730,522	524,131	224,255	(30,681)	3,448,227	607,627
TOTAL NET POSITION - Beginning	<u>36,205,080</u>	<u>15,386,460</u>	<u>16,194,663</u>	<u>183,063</u>	<u>67,969,266</u>	<u>2,275,209</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 38,935,602</u>	<u>\$ 15,910,591</u>	<u>\$ 16,418,918</u>	<u>\$ 152,382</u>	<u>\$ 71,417,493</u>	<u>\$ 2,882,836</u>

See accompanying notes to financial statements.

# CITY OF NEENAH

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Received from customers	\$ 8,190,752	\$ 4,474,301	\$ 1,738,895	\$ 331,558	\$ 14,735,506	\$ 9,145,532
Paid to suppliers for good and services	(1,528,997)	(2,756,318)	(594,463)	(191,338)	(5,071,116)	(7,089,614)
Paid to employees	(1,093,556)	(117,408)	(227,417)	(68,973)	(1,507,354)	(1,054,342)
Net Cash Provided (Used) by Operating Activities	5,568,199	1,600,575	917,015	71,247	8,157,036	1,001,576
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Paid to municipality for tax equivalent	(1,005,506)	-	-	-	(1,005,506)	-
Transfers out	-	(832,940)	(413,340)	(117,230)	(1,363,510)	(245,048)
Net Cash Provided (Used) by Noncapital Financing Activities	(1,005,506)	(832,940)	(413,340)	(117,230)	(2,369,016)	(245,048)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Additions to capital assets	(1,337,386)	(465,114)	(970,024)	-	(2,772,524)	-
Capital contributed by customers	36,390	8,081	14,064	-	58,535	-
Special assessments received	-	210,449	8,171	-	218,620	-
Long-term debt issued	-	675,000	789,800	-	1,464,800	-
Debt issuance costs and premiums	-	8,324	9,740	-	18,064	-
Principal paid on long-term debt	(2,094,341)	(1,173,057)	(641,178)	-	(3,908,576)	-
Interest paid on long-term debt	(331,227)	(138,108)	(90,343)	-	(559,678)	-
Net Cash Used by Capital and Related Financing Activities	(3,726,564)	(874,425)	(879,770)	-	(5,480,759)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment income	138,721	47,157	54,068	-	239,946	-
Investments sold and matured	72,218	-	-	-	72,218	-
Investments purchased	(47,797)	-	-	-	(47,797)	-
Net Cash Provided by Investing Activities	163,142	47,157	54,068	-	264,367	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	999,271	(59,633)	(322,027)	(45,983)	571,628	756,528
<b>CASH AND CASH EQUIVALENTS - Beginning</b>	7,105,257	2,459,191	3,742,369	50,516	13,357,333	3,402,688
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	\$ 8,104,528	\$ 2,399,558	\$ 3,420,342	\$ 4,533	\$ 13,928,961	\$ 4,159,216



	Business-type Activities - Enterprise Funds					Governmental
	Water Utility	Sewerage Disposal Utility	Stormwater Utility	Nonmajor (Parking Utility)	Total Enterprise Funds	Activities- Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>						
Operating income	\$ 3,719,219	\$ 1,150,357	\$ 651,167	\$ 86,549	\$ 5,607,292	\$ 852,675
Adjustments to Reconcile Operating Income to Net Cash Provided From Operating Activities						
Nonoperating income	31,393	-	-	-	31,393	-
Depreciation expense	1,493,358	423,564	264,762	-	2,181,684	-
Depreciation charged to sewer utility	115,008	-	-	-	115,008	-
Changes in Assets, Liabilities, and Deferred Inflows and Outflows						
Accounts receivable	(14,617)	(9,608)	7,652	3,022	(13,551)	(3,795)
Other accounts receivable	(2,153)	-	-	-	(2,153)	-
Due from other funds	-	-	27	-	27	-
Inventories	5,954	-	-	-	5,954	(20,455)
Prepaid items	718	-	-	-	718	(51,364)
Accounts payable	256,327	39,460	(248)	(15,954)	279,585	(1,757)
Claims payable	-	-	-	-	-	3,877
Due to other funds	-	-	-	-	-	-
Other current liabilities	5,189	-	4,628	616	10,433	-
Unearned revenues	159	-	-	-	159	2,152
Pension related deferrals and liabilities	24,800	1,514	(823)	290	25,781	-
Compensated absences	(29,226)	-	-	-	(29,226)	220,243
Other post-employment benefits	(37,930)	(4,712)	(10,150)	(3,276)	(56,068)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 5,568,199</u>	<u>\$ 1,600,575</u>	<u>\$ 917,015</u>	<u>\$ 71,247</u>	<u>\$ 8,157,036</u>	<u>\$ 1,001,576</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>						
Cash and investments	\$ 6,999,609	\$ 2,399,558	\$ 3,402,905	\$ 4,533	\$ 12,806,605	\$ 4,159,216
Restricted cash and investments						
Bond redemption account	1,085,405	-	17,437	-	1,102,842	-
Bond depreciation account	250,000	-	-	-	250,000	-
Bond reserve account	319,000	-	-	-	319,000	-
Total Cash and Investments	8,654,014	2,399,558	3,420,342	4,533	14,478,447	4,159,216
Less: Noncash Equivalents	(549,486)	-	-	-	(549,486)	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 8,104,528</u>	<u>\$ 2,399,558</u>	<u>\$ 3,420,342</u>	<u>\$ 4,533</u>	<u>\$ 13,928,961</u>	<u>\$ 4,159,216</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Developer and customer financed additions to utility plant	\$ 78,535	\$ -	\$ -	\$ -	\$ 78,535	\$ -
Unrealized loss on investments	\$ (5,928)	\$ -	\$ -	\$ -	\$ (5,928)	\$ -
Capital costs special assessed to customers	\$ -	\$ 229,597	\$ -	\$ -	\$ 229,597	\$ -
Principal paid by NMSC	\$ -	\$ (515,709)	\$ -	\$ -	\$ (515,709)	\$ -
Projects assessed to customers	\$ -	\$ -	\$ 4,328	\$ -	\$ 4,328	\$ -
Capital assets transferred between funds	\$ -	\$ 46,040	\$ -	\$ -	\$ 46,040	\$ -

See accompanying notes to financial statements.

## CITY OF NEENAH

### STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of December 31, 2018

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	Agency Funds
<b>ASSETS</b>	
Cash and investments	\$ 23,958,582
Property taxes receivable	4,521,611
Accounts receivable	39,252
Due from other governmental units	<u>278,062</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 28,797,507</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 76,318
Accrued liabilities	1,723,261
Deposits	15,326
Due to other governmental units	26,721,027
Advances from other governmental units	<u>261,575</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 28,797,507</u></b>

See accompanying notes to financial statements.

## CITY OF NEENAH

### INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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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, 2018

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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, 2018

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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 City of Neenah Business Improvement District (“BID”) is a legally separate organization. The BID was created under the provisions of Wisconsin Statute Section 66.1109. The BID, created in 2001, is a separate governmental entity with a separate 11-member board appointed by the mayor subject to common council confirmation. The members serve staggered terms as designated by the City Council. A majority of the members own or occupy real property in the BID. The BID has its own budgetary authority and assessment capabilities. Wisconsin statutes provide for circumstances whereby the City can impose their will on the BID, and also create a potential financial benefit or burden on the City. The BID’s financial information is not material to the City’s operations and therefore, is not presented. Separate financial statements may be obtained from the BID’s office at 135 West Wisconsin, Neenah, Wisconsin 54957.

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

The government-wide financial statements include the Neenah Community Development Authority (“Authority”) as a component unit. The Authority is a legally separate organization. The board of the Authority is appointed by the mayor of Neenah. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the Authority, and also create a potential financial benefit to or burden on the City. See Note IV.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, 2018. 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, 2018

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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.

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, 2018

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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
- TIF District No. 9
- TIF District No. 10
- TIF District No. 11
- Community Development Block Grant
- Housing and Business Loans
- Industrial Development
- Recycling
- Health Grants
- Parks and Recreation
- Dial-A-Ride
- Civic and Social
- Library
- Clock Tower Renovations
- Other
- Cemetery Perpetual Care
- Cemetery Flowers
- Walnut

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

- TIF District No. 5
- TIF District No. 6
- TIF District No. 7
- TIF District No. 8
- TIF District No. 9
- TIF District No. 10
- TIF District No. 11
- Redevelopment
- Facilities
- Capital Equipment
- Equipment Replacement



# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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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: (cont.)

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

Parking Utility

In addition, the City reports the following fund types:

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

Fleet Management  
Benefit Accrual  
Insurance  
Information Systems

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

Advance Tax Collections  
Municipal Court  
Neenah-Menasha Fire Rescue  
Other

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water, sewerage disposal, and stormwater utility funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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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***

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, 2018, there were \$433,594 of unrecorded anticipated future assessments in the water utility which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

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

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

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

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

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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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 (cont.)***

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

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

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

##### ***1. Deposits and Investments***

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

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

- a. Time deposits in any credit union, bank, savings bank or trust.
- 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, 2018

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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.)***

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 nonnegotiable 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, 2018

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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.)***

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 methods and inputs as outlined in Note IV.A. 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, 2018, 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 – 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	March 31, 2019
Third installment due	May 31, 2019
Fourth installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale – 2018 delinquent real estate taxes	October 2021

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

###### *Loans*

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by all known uncollectible accounts. An allowance of \$52,619 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, 2018, the City has not exceeded the maximum amount of program income that it may retain, or the amount of time established for which funds may be held without use. When it does, a liability to the state will be recorded.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

---

### 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 valued at cost based on weighted average cost 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 using the consumption method.

##### ***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, \$10,000 for general capital assets, and \$25,000 for infrastructure capital assets, each with 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their estimated acquisition 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, 2018

---

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

---

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

##### **5. Capital Assets (cont.)**

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

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

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

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

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

##### **6. 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.

##### **7. 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, 2018

---

### 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.)**

##### **8. Basis for Existing Rates – Proprietary Funds**

###### *Water Utility*

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

###### *Sewerage Disposal Utility*

Current wastewater rates were approved by the Common Council and effective March 1, 2014.

###### *Stormwater Utility*

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

##### **9. Compensated Absences**

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2018 are determined on the basis of current salary rates and include salary related payments.

##### **10. Long-Term Obligations/Conduit Debt**

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable, capital leases, 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, 2018

---

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

---

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

##### **10. Long-Term Obligations/Conduit Debt (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. Seven series of IRB's issued from 1999 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 \$25,848,000.

##### **11. 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.

##### **12. Equity Classifications**

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

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

- 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.
- 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.
- 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	\$ 84,936,057	\$ 55,269,145	\$ (641,441)	\$ 139,563,761
Unrestricted (deficit)	(6,491,992)	14,567,970	641,441	8,717,419

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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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.)***

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

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

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City has, by resolution, adopted a financial policy authorizing the Common Council to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

See Note IV.H. for further information.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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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.)**

**13. Pension**

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

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

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**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 \$61,000,134 difference in liabilities are as follows:

Bonds and notes payable	\$ 40,171,940
Capital lease obligations	18,046,143
Compensated absences	1,694,614
Accrued interest*	486,342
Unamortized debt premiums	656,280
Unamortized loss on advance refunding	<u>(55,185)</u>
Net Adjustment to Reduce Fund Balance – Total	
Governmental Funds to Arrive at Net Position –	
Governmental Activities	<u>\$ 61,000,134</u>

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

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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#### **A. BUDGETARY INFORMATION**

A budget has been adopted for all of the governmental funds with the exception of the Walnut special revenue fund. Therefore, a budgetary comparative schedule is not presented in supplementary information for this fund. 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, 2018.

	Excess
Special Revenue – TIF District No. 5	\$ 12,158
Special Revenue – TIF District No. 6	6,593
Special Revenue – TIF District No. 7	5,984
Special Revenue – TIF District No. 8	228,601
Special Revenue – TIF District No. 9	108,054
Special Revenue – TIF District No. 11	3,096
Special Revenue – Community Development Block Grant	298,694
Special Revenue – Civic and social	3,731
Special Revenue – Housing and business loans	223,244
Special Revenue – Recycling	66,812
Special Revenue – Health Grants	2,551
Special Revenue – Parks and Recreation	6,349
Special Revenue – Other	46,563
Special Revenue – Cemetery perpetual care	9,194
Debt Service	142,031
Capital Projects – Redevelopment	2,250
Capital Projects – Equipment replacement	3,117
Capital Projects – Capital equipment	1,604,415

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, 2018, the following nonmajor individual funds held a deficit balance:

Fund	Amount	Reason
Special Revenue Funds		
TIF District No. 5	\$ 335,631	Costs exceed accumulated increments
TIF District No. 6	753,915	Costs exceed accumulated increments
TIF District No. 10	244,191	Costs exceed accumulated increments
TIF District No. 11	75,917	Costs exceed accumulated increments
Capital Projects Funds		
TIF District No. 10	679,943	Costs exceed accumulated increments
Redevelopment	907	Costs exceed revenues
Capital equipment	1,155,161	Costs exceed revenues

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

#### C. DEFICIT BALANCES (cont.)

TIF District deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. TIF District Nos. 5, 6 and 8 have been designated as distressed and can collect increment for an additional 10 years past the original life. Other fund deficits are anticipated to be funded with future contributions, grant revenues, general tax revenues, or long-term borrowing.

#### D. LIMITATIONS ON THE CITY'S TAX LEVY

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

#### E. BOND COVENANT DISCLOSURE

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

##### **Insurance – Water Utility**

The water utility is covered under the following insurance policies at December 31, 2018:

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	01/01/2019
Automobile	10,000,000	01/01/2019
<i>Local Government Property Insurance Fund</i>		
Property (entire City)	166,908,734	04/04/2019

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, 2018

### 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	\$ 8,088,402	\$ 1,731,216
Investment income	144,625	54,068
Miscellaneous nonoperating income	31,393	-
Less: Operation and maintenance expenses	(2,875,825)	(815,287)
Net Defined Earnings	<u>\$ 5,388,595</u>	<u>\$ 969,997</u>
Minimum Required Earnings per Resolution:		
Debt service	\$ 2,421,247	\$ 32,962
Coverage factor	<u>1.25</u>	<u>1.1</u>
Minimum Required Earnings	<u>\$ 3,026,559</u>	<u>\$ 36,258</u>

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

The water utility has the following number of customers and billed volumes for 2018.

	Customers	Sales (000 gals)
	2018	2018
Residential	9,831	397,812
Commercial	678	148,551
Industrial	92	319,022
Public authority	56	20,917
Multifamily residential	97	23,852
Totals	<u>10,754</u>	<u>910,154</u>

##### Utility Budget

The 2018 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, 2018

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

#### 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	\$ 30,492,005	\$ 30,560,235	Custodial credit
U.S. agencies implicitly guaranteed	6,569,482	6,569,482	Custodial credit, credit, interest rate and highly sensitive to interest rate changes
U.S. agencies explicitly guaranteed	857,440	857,440	Custodial credit, interest rate and highly sensitive to interest rate changes
U.S. treasuries	1,131,815	1,131,815	Custodial credit and interest rate
Corporate bonds and notes	2,355,306	2,355,306	Custodial credit, credit, and interest rate
Common stock	444,499	444,499	Custodial credit
State and local bonds	3,431,836	3,431,836	Custodial credit, credit and interest rate
LGIP	7,422,089	7,422,089	Credit
Mutual funds	723,842	723,842	Credit and interest rate
Petty cash	7,970	-	
Total Cash and Investments	<u>\$ 53,436,284</u>	<u>\$ 53,496,544</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 27,805,860		
Restricted cash and investments	1,671,842		
Per statement of assets and liabilities			
– Agency Funds	<u>23,958,582</u>		
Total Cash and Investments	<u>\$ 53,436,284</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. 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, 2018

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

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

The City maintains collateral agreements with its banks. As of December 31, 2018, the bank had pledged various government securities in the amount of \$30,183,850 to secure the City's deposits. In addition, the City had a \$7M letter of credit to collateralize its deposit accounts as well as \$2M of insurance provided by London insurers.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). SIPC membership provides account protection up to a maximum of \$500,000 per customer. \$1,000,000 of the City's deposits are covered by SIPC. TDC Ameritrade provides each client \$149.5 million worth of protection for securities. Vining Sparks provides a \$1 million securities dealer fidelity bond.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment Type	December 31, 2018			
	Level 1	Level 2	Level 3	Total
US agencies – implicitly guaranteed	\$ 590,669	\$ 5,978,813	\$ -	\$ 6,569,482
US agencies – explicitly guaranteed	-	857,440	-	857,440
US treasuries	1,131,815	-	-	1,131,815
Corporate bonds	246,128	2,109,178	-	2,355,306
Equity securities/stocks	444,499	-	-	444,499
State and local bonds	-	3,431,836	-	3,431,836
Mutual funds	723,842	-	-	723,842
Totals	<u>\$ 3,136,953</u>	<u>\$ 12,377,267</u>	<u>\$ -</u>	<u>\$ 15,514,220</u>

The valuation methods for recurring fair value measurements are as follows:

Investment Type	Valuation Method
U.S. agencies – implicitly guaranteed	Institutional bond quotes – evaluations based on various market and industry inputs
U.S. agencies – explicitly guaranteed	Mortgage backed securities pricing – evaluations based on various market and industry inputs
U.S. treasuries	Institutional bond quotes – evaluations based on various market and industry inputs
Corporate bonds	Institutional bond quotes – evaluations based on various market and industry inputs
Equity securities/stocks	Evaluations based on various market factors
State and local bonds	Institutional bond quotes – evaluations based on various market and industry inputs
Mutual funds	Net asset value

#### 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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

As of December 31, 2018, \$815,660 of the City's total bank balances of \$30,560,235 were uninsured and uncollateralized and therefore exposed to custodial credit risk.

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

As of December 31, 2018, \$1,855,774 of the City's investments were neither insured nor registered and held by counterparty, and therefore, exposed to custodial credit risk.

##### **Credit Risk**

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

As of December 31, 2018, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor Service
<b>U.S. Agencies Implicitly Guaranteed</b>		
Federal Home Loan Mortgage Corporation	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa
Small Business Administration	AA+	Aaa
<b>Corporate Bonds and Notes</b>		
Nexen Incorporated	AA-	Aa3
Commonwealth Bank	AA-	Not available
Toyota Mtr Credit Corporation	AA-	Aa3
Microsoft Corporation	AAA	Aaa
Coca Cola Corporation	AA-	Aa3
PNC Bank	A	A2
General Electric Corporation Floater	AA+	Not available
Disney Corporation	A	A2
International bonds	AAA	Aaa

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

##### Credit Risk (cont.)

Investment Type	Standard & Poor's	Moody's Investor Service
<b>State and Local Bonds</b>		
State of Wisconsin - Department of Transportation	AA+	Aa2
State of Wisconsin Taxable Series C	AA+	Aa2
Oklahoma City Tax	AAA	Aaa
New York State Tax	AAA	Aa1
Tacoma, WA City Tax	AA+	A1
Brooklyn Center, MN	AA	Not available
State of Georgia	AAA	Aaa
Verona Schools	Not available	Aa2
Florida State Board of Education	AAA	Aa1
Milwaukee, WI City Tax	AA	Aa2
Will Grundy, IL	AA	Not available
Green Bay School	Not available	Aa1
Amery, WI	Not available	Aa3
Grand Chute – Community Development Authority	AA	Not available
Maple Bluff, WI	AA+	Not available
<b>Mutual Funds</b>		
Templeton Institutional Fds Inc Foreign	Not available	Not available
Vanguard Extended Market Index Fd Invest	Not available	Not available
Vanguard Index TR 500 Admiral Shs	Not available	Not available

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

LGIP

##### Interest Rate Risk

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

As of December 31, 2018, the City's investments were as follows:

Specific Investment	Maturity Date	Fair Value
<b>Mutual Funds</b>		
TIF International Equity Ser Fund	Not applicable	\$ 13,394
Vanguard Extended Market Index Fd Invest	Not applicable	85,559
Vanguard Index TR 500 Admiral Shs	Not applicable	624,889
Total		<u>\$ 723,842</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

Investment Type	Fair Value	1-5 Years	5-30 Years
U.S. Agencies Implicitly Guaranteed	\$ 6,569,482	\$ 696,609	\$ 5,872,873
U.S. Agencies Explicitly Guaranteed	857,440	-	857,440
U.S. Treasuries	1,131,815	826,296	305,519
Corporate Bonds and Notes	2,355,306	2,355,306	-
State and Local Bonds	3,431,836	2,983,040	448,796
Totals	<u>\$ 14,345,879</u>	<u>\$ 6,861,251</u>	<u>\$ 7,484,628</u>

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

At December 31, 2018, \$6,100,584 of the \$14,345,879 reported above had maturity dates beyond ten years classifying them as highly sensitive to interest rate changes.

#### B. RECEIVABLES

All receivable balances are expected to be collected within one year with the exception of \$16,652 in delinquent personal property taxes; \$383,908 in special assessments; and \$473,439 of loans receivable.

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

	Unavailable	Unearned
Property taxes receivable for subsequent year	\$ -	\$ 22,301,187
Special assessments/special charges not yet due	499,253	-
Unearned revenue: pet licenses, rent	-	41,193
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 499,253</u>	<u>\$ 22,342,380</u>

On the statement of net position, \$16,652 of unearned revenue is reported from the internal service funds.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

The following represent the balances of the restricted assets:

##### ***Long Term Debt Accounts***

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

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

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

Following is a list of restricted assets at December 31, 2018:

	<u>2018</u>
Restricted Assets	
Redemption account	\$ 1,102,842
Depreciation account	250,000
Reserve account	319,000
Net pension asset	3,727,063
Interest receivable	<u>3,765</u>
Total Restricted Assets	<u><u>\$ 5,402,670</u></u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

#### **D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 14,200,508	\$ 402,789	\$ -	\$ 14,603,297
Right-of-ways	13,119,594	-	5,086	13,114,508
Land improvements <sup>(1)</sup>	10,424,565	125,946	72,379	10,478,132
Construction work in progress	778,257	82,971	778,257	82,971
Total Capital Assets Not Being Depreciated	<u>38,522,924</u>	<u>611,706</u>	<u>855,722</u>	<u>38,278,908</u>
Capital assets being depreciated				
Improvements	12,782,254	2,125,844	5,090	14,903,008
Buildings	36,335,844	-	104,544	36,231,300
Equipment, furniture and fixtures	12,951,853	2,080,123	2,156,587	12,875,389
Collections (library)	3,592,746	262,404	282,528	3,572,622
Streets	55,617,960	2,465,344	1,447,577	56,635,727
Bridges	20,291,817	-	-	20,291,817
Street lighting	1,210,876	109,624	-	1,320,500
Traffic signals	1,294,457	81,744	-	1,376,201
Sidewalks	5,996,547	101,650	-	6,098,197
Trails	1,158,119	149,948	-	1,308,067
Retaining walls	1,305,001	-	-	1,305,001
Steam tunnel	390,374	-	-	390,374
Total Capital Assets Being Depreciated	<u>152,927,848</u>	<u>7,376,681</u>	<u>3,996,326</u>	<u>156,308,203</u>
Less: Accumulated depreciation for				
Improvements	(5,856,806)	(476,560)	4,582	(6,328,784)
Buildings	(15,625,171)	(749,795)	53,248	(16,321,718)
Equipment, furniture and fixtures	(7,610,904)	(611,070)	1,356,788	(6,865,186)
Collections (library)	(3,276,118)	(334,150)	282,528	(3,327,740)
Streets	(20,881,334)	(1,132,715)	1,447,577	(20,566,472)
Bridges	(3,990,071)	(289,883)	-	(4,279,954)
Street lighting	(195,964)	(17,930)	-	(213,894)
Traffic signals	(293,445)	(18,792)	-	(312,237)
Sidewalks	(3,705,041)	(127,106)	-	(3,832,147)
Trails	(270,811)	(32,702)	-	(303,513)
Retaining walls	(182,700)	(26,100)	-	(208,800)
Steam tunnel	(78,074)	(9,759)	-	(87,833)
Total Accumulated Depreciation	<u>(61,966,439)</u>	<u>(3,826,562)</u>	<u>3,144,723</u>	<u>(62,648,278)</u>
Capital Assets, Net of Depreciation	<u>\$ 129,484,333</u>	<u>\$ 4,161,825</u>	<u>\$ 1,707,325</u>	<u>\$ 131,938,833</u>

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

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

### 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	\$ 533,748
Public safety	215,493
Public works, which includes the depreciation of infrastructure	2,047,741
Parks, recreation, and education	<u>1,029,580</u>
Total Governmental Activities Depreciation Expense	<u>\$ 3,826,562</u>

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Water Utility</b>				
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	23,863,086	106,183	-	23,969,269
Transmission and distribution	32,281,152	1,252,197	223,335	33,310,014
Administrative and general assets	2,275,687	60,842	19,889	2,316,640
Total Capital Assets				
Being Depreciated	<u>61,935,056</u>	<u>1,419,222</u>	<u>243,224</u>	<u>63,111,054</u>
Total Capital Assets	<u>62,057,236</u>	<u>1,419,222</u>	<u>243,224</u>	<u>63,233,234</u>
Less: Accumulated depreciation for				
Source of supply	(130,978)	-	-	(130,978)
Pumping	(1,401,056)	(107,729)	-	(1,508,785)
Treatment	(9,973,232)	(787,841)	-	(10,761,073)
Transmission and distribution	(5,874,813)	(646,623)	223,335	(6,298,101)
Administrative and general assets	(2,016,631)	(66,173)	19,889	(2,062,915)
Total Accumulated Depreciation	<u>(19,396,710)</u>	<u>(1,608,366)</u>	<u>243,224</u>	<u>(20,761,852)</u>
Capital Assets, Net of Depreciation	<u>\$ 42,660,526</u>			<u>\$ 42,471,382</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewerage Disposal Utility</u>				
Capital assets being depreciated				
Collection system	\$ 26,452,853	\$ 438,254	\$ 42,255	\$ 26,848,852
Collection system pumping	903,482	72,900	-	976,382
Flow meters	43,315	-	-	43,315
Computer software	10,359	-	-	10,359
Equipment	353,132	-	-	353,132
Total Capital Assets Being Depreciated	<u>27,763,141</u>	<u>511,154</u>	<u>42,255</u>	<u>28,232,040</u>
Less: Accumulated depreciation for				
Collection system	(9,666,902)	(372,171)	42,255	(9,996,818)
Collection system pumping	(334,303)	(11,749)	-	(346,052)
Flow meters	(17,570)	(4,331)	-	(21,901)
Computer software	(10,359)	-	-	(10,359)
Equipment	(106,822)	(35,313)	-	(142,135)
Total Accumulated Depreciation	<u>(10,135,956)</u>	<u>(423,564)</u>	<u>42,255</u>	<u>(10,517,265)</u>
Capital Assets, Net of Depreciation	<u>\$ 17,627,185</u>			<u>\$ 17,714,775</u>
<u>Stormwater Utility</u>				
Capital assets not being depreciated				
Detention ponds	\$ 3,421,404	\$ 78,311	\$ -	\$ 3,499,715
Capital assets being depreciated				
Collection system	14,552,429	593,387	16,471	15,129,345
Detention basins	3,990,740	-	14,929	3,975,811
Detention pond equipment	113,052	-	-	113,052
Computer software	10,359	-	-	10,359
Equipment	145,434	298,326	-	443,760
Total Capital Assets Being Depreciated	<u>18,812,014</u>	<u>891,713</u>	<u>31,400</u>	<u>19,672,327</u>
Total Capital Assets	<u>22,233,418</u>	<u>970,024</u>	<u>31,400</u>	<u>23,172,042</u>
Less: Accumulated depreciation for				
Collection system	(4,609,424)	(185,511)	16,471	(4,778,464)
Detention basins	(1,855,613)	(49,791)	14,929	(1,890,475)
Detention pond equipment	(113,052)	-	-	(113,052)
Computer software	(10,359)	-	-	(10,359)
Equipment	(28,048)	(29,460)	-	(57,508)
Total Accumulated Depreciation	<u>(6,616,496)</u>	<u>(264,762)</u>	<u>31,400</u>	<u>(6,849,858)</u>
Capital Assets, Net of Depreciation	<u>\$ 15,616,922</u>			<u>\$ 16,322,184</u>



# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

### 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	5,000	-	-	5,000
Total Capital Assets Being Depreciated	31,717	-	-	31,717
Less: Accumulated depreciation for				
Land improvements	(26,717)	-	-	(26,717)
Administrative and general assets	(5,000)	-	-	(5,000)
Total Accumulated Depreciation	(31,717)	-	-	(31,717)
Capital Assets, Net of Depreciation	\$ 158,267			\$ 158,267
Total Business-type Activities	\$ 76,062,900			\$ 76,666,608

Depreciation expense was charged to functions as follows:

#### Business-type Activities

Water	\$ 1,493,358
Sewerage disposal	423,564
Stormwater	264,762
Total Business-type Activities Depreciation Expense	\$ 2,181,684

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, 2018

### 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	\$ 971,182
Capital projects – public infrastructure	Debt service	153,030
Enterprise fund – water utility	General	99
Enterprise fund – sewerage disposal utility	General	104,689
Enterprise fund – stormwater utility	General	1,580
Sub-Total – Fund Financial Statements		1,230,580
Less: Elimination to government-wide statements		(365,766)
Total – Government-Wide Financial Statements		<u>\$ 864,814</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 971,182
Less: Business-type activities	Governmental activities	(106,368)
Total Internal Balances – Government-Wide Financial Statements		<u>\$ 864,814</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 \$971,182 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, 2018

### 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>
Debt service	Special revenue – TIF District No. 8	\$ 4,868,417	\$ 4,868,417
Debt service	Special revenue – TIF District No. 6	1,250,000	1,250,000
Capital projects – Public infrastructure	Special revenue – TIF District No. 5	891,000	891,000
Capital projects – Public infrastructure	Capital projects – Capital equipment	1,115,629	1,115,629
Capital projects – TIF District No. 5	Capital projects – TIF District No. 8	222,164	222,164
Capital projects – TIF District No. 7	Capital projects – TIF District No. 8	8,023	8,023
Capital projects – TIF District No. 7	Capital projects – TIF District No. 10	674,767	674,767
Capital projects – TIF District No. 6	Special revenue – TIF District No. 10	81,904	81,904
Special revenue – TIF District No. 9	Special revenue – TIF District No. 10	162,287	162,287
Special revenue – TIF District No. 5	Special revenue – TIF District No. 11	75,917	75,917
Special revenue – TIF District No. 5	Special revenue – TIF District No. 8	474,580	474,580
Special revenue – TIF District No. 6	Special revenue – TIF District No. 8	496,085	496,085
Capital projects – TIF District No. 8	Special revenue – TIF District No. 8	183,132	183,132
Sub-Totals – Fund Financial Statements		10,503,905	<u>\$ 10,503,905</u>
Less: Eliminations		<u>(10,503,905)</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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

##### ***Transfers***

The following is a schedule of interfund transfers:

Fund Transferred From	Fund Transferred To	Amount	Principal Purpose
General fund	Special revenue – Dial-a-Ride	\$ 12,000	Operating subsidy
General fund	Special revenue – other	7,081	Operating subsidy
<b>Special Revenue</b>			
TIF District No. 5	General fund	72,287	Administrative and finance costs
TIF District No. 5	Debt service	360,919	Debt service
TIF District No. 6	General fund	62,943	Administrative and finance costs
TIF District No. 6	Debt service	345,945	Debt service
TIF District No. 7	General fund	106,000	Administrative and finance costs
TIF District No. 7	Debt service	1,231,980	Debt service
TIF District No. 7	TIF District No. 8	756,129	Excess funds
TIF District No. 8	General fund	150,930	Administrative and finance costs
TIF District No. 8	Debt service	1,056,842	Debt service
TIF District No. 8	Capital projects – TIF District No. 8	170,000	Administrative charge
TIF District No. 9	General fund	36,000	Administrative and finance costs
TIF District No. 9	Debt service	37,178	Debt service
TIF District No. 10	General fund	47,096	Administrative and finance costs
TIF District No. 10	Debt service	99,640	Debt service
TIF District No. 11	General fund	36,755	Administrative and finance costs
TIF District No. 11	Debt service	2,100	Debt service
CDBG	General fund	27,416	Administrative charge
Housing	General fund	35,000	Administrative charge
Small business	CDBG	225,000	Reprogram funds for CDBG use
Recycling	General fund	25,000	Administrative charge
Cemetery perpetual care	General fund	24,194	Interest and administrative charge
Dial-A-Ride	General fund	5,000	Administrative charge
Health grants	Capital equipment	2,551	To fund future capital purchases
Health grants	General fund	10,000	ADA compliance project
Other	Capital equipment	70,452	To move funds from trust to purchase public safety equipment

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

### 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</b> (cont.)			
Industrial development	General fund	\$ 5,000	Operating subsidy as budgeted
<b>Capital Projects</b>			
Public Infrastructure	Recycling	26,000	Crush concrete
Public Infrastructure	CDBG	30,199	To reimburse CDBG program expenditures
<b>Enterprise</b>			
Water utility	General fund	971,182	PILOT
Sewerage disposal utility	General fund	832,940	2018 expenditures, interest and administrative costs
Stormwater utility	General fund	413,340	City and public works support overhead
Parking utility	General fund	117,230	Administrative charges
<b>Internal Service</b>			
Benefit accrual fund	General fund	125,048	Administrative charge
Information systems	General fund	<u>120,000</u>	Administrative charge
Sub-Total – Fund Financial Statements		7,657,377	
Less: Fund Eliminations		<u>(5,322,685)</u>	
Total Transfers – Government-wide Statement of Activities		<u>\$ 2,334,692</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, 2018

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

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018 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	\$ 38,779,815	\$ 6,830,200	\$ 5,438,075	\$ 40,171,940	\$ 5,405,620
Premiums	777,977	125,767	247,464	656,280	-
Sub-Totals	<u>39,557,792</u>	<u>6,955,967</u>	<u>5,685,539</u>	<u>40,828,220</u>	<u>5,405,620</u>
Other Liabilities:					
Vested compensated absences					
General	1,639,908	464,683	409,977	1,694,614	423,654
Internal service	2,423,051	1,562,437	1,362,565	2,622,923	1,512,333
Capital leases*	19,046,197	74,946	1,075,000	18,046,143	996,179
Total Other Liabilities	<u>23,109,156</u>	<u>2,102,066</u>	<u>2,847,542</u>	<u>22,363,680</u>	<u>2,932,166</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 62,666,948</u>	<u>\$ 9,058,033</u>	<u>\$ 8,533,081</u>	<u>\$ 63,191,900</u>	<u>\$ 8,337,786</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation debt	\$ 9,012,626	\$ 1,464,800	\$ 1,791,266	\$ 8,686,160	\$ 1,674,146
Revenue bonds	24,302,955	-	2,633,019	21,669,936	2,695,815
Premiums	234,447	26,972	55,778	205,641	-
Sub-Totals	<u>33,550,028</u>	<u>1,491,772</u>	<u>4,480,063</u>	<u>30,561,737</u>	<u>4,369,961</u>
Other Liabilities:					
Vested compensated absences	133,609	54,108	76,987	110,730	34,019
Total Business-type Activities Long-Term Liabilities	<u>\$ 33,683,637</u>	<u>\$ 1,545,880</u>	<u>\$ 4,557,050</u>	<u>\$ 30,672,467</u>	<u>\$ 4,403,980</u>

\*Includes \$74,946 of amortization of loss on the related CDA refunding.

In addition to the liabilities above, information on the net pension liability/(asset) is provided in Note V.A.

#### General Obligation Debt

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of \$110,483,105. Total general obligation debt outstanding at year-end was \$48,858,100.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/18
Governmental Activities					
General Obligation Debt					
General Obligation Promissory Notes 2018A	03/01/18	03/01/28	2.38 - 4.00%	\$ 6,830,200	\$ 6,830,200
General Obligation Refunding Bonds 2017A	01/24/17	03/01/29	2.00 - 4.00%	3,785,000	3,775,000
General Obligation Promissory Notes 2017B	01/24/17	03/01/29	1.00 - 2.00%	3,990,000	3,563,240
General Obligation Refunding Bonds 2017C	09/01/17	03/01/37	3.00 - 4.00%	1,350,000	1,350,000
General Obligation Promissory Notes 2016	04/06/16	03/01/26	1.00 - 2.00%	4,975,000	4,778,500
General Obligation Promissory Notes 2015	05/27/15	03/01/25	2.00 - 2.50%	5,080,000	3,330,000
General Obligation Promissory Notes 2014	05/28/14	09/01/24	2.00%	3,230,000	2,380,000
General Obligation Refunding Bonds 2013A	03/01/13	03/01/20	2.00 - 3.00%	6,147,826	970,000
General Obligation Promissory Notes 2013B	06/05/13	03/01/23	1.50 - 2.50%	3,765,000	2,235,000
General Obligation Taxable Refunding Bonds 2013	12/02/13	03/01/24	0.65 - 3.85%	1,030,000	590,000
General Obligation Promissory Notes, Series 2012A	06/27/12	03/01/22	1.25 - 2.00%	2,565,000	1,200,000
General Obligation Community Development Bonds, Series 2012B	06/27/12	03/01/31	2.75 - 3.30%	1,635,000	1,460,000
General Obligation Refunding Bonds, Series 2012C	12/03/12	03/01/26	2.00%	4,186,092	3,185,000
General Obligation Promissory Notes, Series 2011	01/26/11	09/01/20	1.50 - 2.90%	3,335,000	830,000
General Obligation Promissory Notes, Series 2010A	01/26/10	03/01/19	2.00 - 3.50%	1,965,000	270,000
General Obligation Community Development Bonds, Series 2010B	01/26/10	03/01/29	3.25 - 4.25%	2,315,000	1,990,000
General Obligation Promissory Notes, Series 2009A	06/10/09	03/01/19	2.00 - 4.00%	700,000	100,000
General Obligation Community Development Bonds, Series 2009B	06/10/09	03/01/29	4.00 - 4.40%	2,590,000	195,000
General Obligation Community Development Bonds, Series 2004C	06/01/04	03/01/23	4.00 - 5.00%	2,225,000	1,140,000
Total Governmental Activities – General Obligation Debt					<u>\$ 40,171,940</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

Business-type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/18
General Obligation Debt					
General Obligation Promissory Notes 2018A	03/01/18	03/01/28	2.38 – 4.00%	\$ 1,464,800	\$ 1,464,800
General Obligation Promissory Notes 2017B	01/24/17	03/01/29	1.00 – 2.00%	1,620,000	1,436,760
General Obligation Promissory Notes 2016	04/06/16	03/01/26	1.00 – 2.00%	1,525,000	1,286,500
General Obligation Promissory Notes 2015	05/27/15	03/01/25	2.00 – 2.50%	1,170,000	970,000
General Obligation Promissory Note, Series 2014	05/28/14	09/01/24	2.00%	1,455,000	910,000
General Obligation Promissory Note, Series 2013	06/05/13	03/01/20	1.50 – 2.00%	1,505,000	795,000
General Obligation Promissory Note, Series 2012	06/27/12	03/01/22	1.25 – 2.00%	1,390,000	595,000
General Obligation Promissory Notes, Series 2011	01/26/11	09/01/20	1.50 – 2.90%	1,660,000	625,000
General Obligation Promissory Notes, Series 2010	01/26/10	03/01/19	2.00 – 3.50%	810,000	100,000
Clean Water Fund General Obligation Debt	05/12/10	05/01/30	2.20%	411,652	268,100
General Obligation Promissory Notes, Series 2009A	06/10/09	03/01/19	2.00 – 4.00%	2,015,000	<u>235,000</u>
Total Business-type Activities General Obligation Debt					<u>\$ 8,686,160</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt			Business-type Activities General Obligation Debt		
	Principal	Interest	Totals	Principal	Interest	Totals
2019	\$ 5,405,620	\$ 1,021,959	\$ 6,427,579	\$ 1,674,146	\$ 194,183	\$ 1,868,329
2020	5,381,740	887,798	6,269,538	1,358,461	155,860	1,514,321
2021	4,992,580	755,226	5,747,806	1,063,065	126,760	1,189,825
2022	4,550,940	627,528	5,178,468	1,115,159	100,171	1,215,330
2023	4,399,200	502,474	4,901,674	977,363	73,988	1,051,351
2024 – 2028	13,821,860	1,089,163	14,911,023	2,448,284	114,930	2,563,214
2029 – 2033	1,250,000	120,392	1,370,392	49,682	1,099	50,781
2034 – 2037	370,000	28,050	398,050	-	-	-
Totals	<u>\$ 40,171,940</u>	<u>\$ 5,032,590</u>	<u>\$ 45,204,530</u>	<u>\$ 8,686,160</u>	<u>\$ 766,991</u>	<u>\$ 9,453,151</u>



# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

##### **Revenue Debt**

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

The water utility has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued between 2005-2017. 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 20% of gross revenues on average. The total principal and interest remaining to be paid on the bonds is \$13,495,131. Principal and interest paid for the current year and total customer gross revenues were \$2,425,569 and \$8,264,420, 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 2018 was \$32,973. Total customer gross revenues as defined for the same period were \$1,785,284. Annual principal and interest payments are expected to require 2% of gross revenues on average.

Revenue debt payable at December 31, 2018 consists of the following:

<b>Business-type Activities Revenue Debt</b>					
	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/18
<u>Water Utility</u>					
Water Utility Revenue Refunding Bonds 2017	12/01/17	12/01/26	2.83%	\$ 835,000	\$ 755,000
Water Utility Revenue Refunding Bonds 2013	12/02/13	12/01/21	2.00 – 2.50%	3,545,000	1,405,000
Water Utility Revenue Advance Refunding Bonds 2012	09/26/12	12/01/21	2.12%	1,350,000	380,000
Water Utility Revenue Bonds 2006	01/25/06	05/01/25	2.365%	8,788,354	3,875,027
Water Utility Revenue Bonds 2005	04/27/05	05/01/24	2.365%	16,666,667	6,130,448

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

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

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/18
<u>Sewerage Disposal Utility</u>					
Sewer System 2013 Clean Water Fund Loan (1)	02/13/13	05/01/32	2.65%	\$ 10,952,442	\$ 8,818,618
<u>Stormwater Utility</u>					
Stormwater System Revenue Bonds, Series 2009	12/09/09	05/01/29	3.15%	471,087	305,843
Total Business-type Activities Revenue Debt					<u>\$ 21,669,936</u>

- (1) The proceeds of the Sewer Utility's 2013 Sewer Clean Water Fund Loan were paid directly to the Neenah-Menasha Sewerage Commission for expansion of the regional plant. Principal and interest payments on this debt will be paid by the Neenah-Menasha Sewerage Commission under an agency agreement. The debt service is recovered by Neenah-Menasha Sewerage Commission as part of its annual use charges. The resulting "due from other governments" and "revenue bonds" of a like amount has been recorded by the City of Neenah Sewer Utility and will be reduced as payments are made.

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2019	\$ 2,695,815	\$ 513,363	\$ 3,209,178
2020	2,765,516	449,751	3,215,267
2021	2,831,437	382,155	3,213,592
2022	2,273,610	312,942	2,586,552
2023	2,332,063	257,031	2,589,094
2024 – 2028	5,882,747	668,491	6,551,238
2029 – 2032	2,888,748	154,139	3,042,887
Totals	<u>\$ 21,669,936</u>	<u>\$ 2,737,872</u>	<u>\$ 24,407,808</u>

#### **Capital Leases**

Refer to Note IV.G.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

##### ***Other Debt Information***

Estimated payments of compensated absences is not included in the debt service requirement schedules. The compensated absences liability 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 and CDA defeased certain general obligation and lease revenue bonds, respectively, by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's or CDA's financial statements. At December 31, 2018, \$5,540,000 of City bonds and \$14,885,000 of CDA bonds outstanding are considered defeased.

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

<u>Call Date</u>	<u>Amount</u>
03/01/2019	\$ 775,000
12/01/2019	75,000
03/01/2020	990,000
12/01/2020	115,000
03/01/2021	185,000
12/01/2021	155,000
03/01/2022	190,000
12/01/2022	205,000
03/01/2023	200,000
12/01/2023	255,000
03/01/2024	205,000
12/01/2024	290,000
03/01/2025	220,000
12/01/2025	340,000
03/01/2026	230,000
12/01/2026	345,000
03/01/2027	245,000
03/01/2028	255,000
03/01/2029	265,000

##### ***CDA bonds (see Note IV. J.):***

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

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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#### **G. LEASE DISCLOSURES**

##### ***Lessee – Capital Leases***

In 2008, the CDA borrowed \$6,285,000 in lease revenue bonds. In 2013, the CDA issued \$17,620,000 to advance refund the 2004 lease revenue bonds. In 2016, the CDA issued \$3,500,000 to partially advance refund the 2008 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, 2018, are as follows:

	Governmental Activities		
	Principal	Interest	Totals
2019	\$ 996,179	\$ 634,570	\$ 1,630,749
2020	1,036,179	613,095	1,649,274
2021	1,081,179	585,355	1,666,534
2022	1,131,179	552,466	1,683,645
2023	1,186,179	515,134	1,701,313
2024 – 2028	10,450,248	1,719,738	12,169,986
2029 – 2032	2,165,000	155,495	2,320,495
Totals	<u>\$ 18,046,143</u>	<u>\$ 4,775,853</u>	<u>\$ 22,821,996</u>

The gross amount of assets capitalized under the lease are as follows:

> Parking structure	\$ 10,915,041
> Land held for resale	\$ 773,000

The remainder of the costs were related to environmental clean-up and demolition.

##### ***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, 2018

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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, 2018 includes the following:

##### **Governmental Activities**

Net investment in capital assets		
Land	\$	14,603,297
Right-of-way		13,114,508
Land improvements		10,478,132
Construction work in progress		82,971
Other capital assets, net of accumulated depreciation		93,659,925
Less: Related long-term debt outstanding, premium and loss on refunding	\$ (48,438,587)	
Add: Unspent debt proceeds	<u>1,435,811</u>	<u>(47,002,776)</u>
Total Net Investment in Capital Assets		<u>84,936,057</u>
Restricted		
Debt service		6,131,756
TIF Districts		882,553
Loans		689,699
Grant programs		79,933
Library		1,425,267
Cemetery		1,299,124
Pension		<u>3,453,598</u>
Total Restricted		<u>13,961,930</u>
Unrestricted (deficit)		<u>(6,491,992)</u>
Total Governmental Activities Net Position	\$	<u>92,405,995</u>

Governmental fund balances reported on the fund financial statements at December 31, 2018 include the following:

##### **Governmental Funds**

###### **Nonspendable**

Major Fund		
General Fund		
Delinquent personal property taxes	\$	16,652
Inventories		294
Prepaid items		<u>27,371</u>
Total	\$	<u>44,317</u>

###### **Restricted**

Major Funds		
Debt Service	\$	<u>6,138,212</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

##### **Assigned**

##### Major Funds

##### General Fund

Library operations	\$ 97,299
Carryforwards	89,720
Applied to 2019 budget	<u>150,000</u>
Total	<u>\$ 337,019</u>

##### Capital Projects – Public Infrastructure

Capital projects	<u>\$ 3,433,423</u>
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##### **Unassigned (deficit)**

##### Major Funds

##### General Fund

\$ 4,220,834

##### Special Revenue – TIF District No. 8 (Deficit)

\$ (6,004,893)

#### **Nonmajor Funds – Details of Fund Balance**

##### **Special Revenue Funds**

	Nonspendable	Restricted	Committed	Assigned	Unassigned (Deficit)
TIF District No. 5	\$ -	\$ -	\$ -	\$ -	\$ (335,631)
TIF District No. 6	-	-	-	-	(753,915)
TIF District No. 9	-	162,287	-	-	-
TIF District No. 10	-	-	-	-	(244,191)
TIF District No. 11	-	-	-	-	(75,917)
Community Development Block Grant	-	159,828	-	-	-
Housing/business loans	-	529,871	-	-	-
Industrial development	-	-	87,210	-	-
Recycling	-	-	176,947	-	-
Health grants	-	79,908	-	-	-
Parks and recreation	-	-	329,284	-	-
Dial-A-Ride	-	-	88,422	-	-
Civic and social	-	-	160,683	-	-
Library	-	1,425,267	-	-	-
Clock tower renovations	-	25	-	-	-
Other	-	-	186,480	-	-
Cemetery perpetual care	-	1,299,124	-	-	-
Cemetery flowers	-	-	167,141	-	-
Walnut	-	-	1,413	-	-
Sub-Total – Special Revenue Funds	<u>-</u>	<u>3,656,310</u>	<u>1,197,580</u>	<u>-</u>	<u>(1,409,654)</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

Nonmajor Funds – Details of Fund Balance (cont.)	Nonspendable	Restricted	Committed	Assigned	Unassigned (Deficit)
<b>Capital Projects Fund</b>					
TIF District No. 5	\$ -	\$ 222,164	\$ -	\$ -	\$ -
TIF District No. 6	-	94,039	-	-	-
TIF District No. 7	-	705,172	-	-	-
TIF District No. 8	-	2,113,953	-	-	-
TIF District No. 9	-	98,360	-	-	-
TIF District No. 10	-	-	-	-	(679,943)
TIF District No. 11	-	29,500	-	-	-
Redevelopment	-	-	-	-	(907)
Facilities	-	-	-	1,147,188	(1,157,342)
Capital equipment	2,181	-	-	-	-
Equipment replacement	-	-	-	166,148	-
Sub-Total – Capital Projects Funds	<u>2,181</u>	<u>3,263,188</u>	<u>-</u>	<u>1,313,336</u>	<u>(1,838,192)</u>
Totals	<u>\$ 2,181</u>	<u>\$ 6,919,498</u>	<u>\$ 1,197,580</u>	<u>\$ 1,313,336</u>	<u>\$ (3,247,846)</u>

#### **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	\$ 63,233,234	\$ 28,232,040	\$ 23,172,042	\$ 189,984
Accumulated depreciation	<u>(20,761,852)</u>	<u>(10,517,265)</u>	<u>(6,849,858)</u>	<u>(31,717)</u>
Sub-Totals	<u>42,471,382</u>	<u>17,714,775</u>	<u>16,322,184</u>	<u>158,267</u>
Less: Capital related debt				
Current portion of long-term debt	2,143,501	1,169,766	528,072	-
Long-term portion of debt	10,401,974	4,365,617	3,072,858	-
Unamortized loss on advance refunding	(11,085)	(6,164)	(9,407)	-
Unamortized premiums	61,331	-	-	-
Sub-Totals	<u>12,595,721</u>	<u>5,529,219</u>	<u>3,591,523</u>	<u>-</u>
Add: Unspent Debt Proceeds				
Reserve from borrowing	<u>319,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Investment in Capital Assets	<u>\$ 30,194,661</u>	<u>\$ 12,185,556</u>	<u>\$ 12,730,661</u>	<u>\$ 158,267</u>

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

#### J. COMPONENT UNIT

##### **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.

#### b. Deposits and Investments

A separate investment policy does not exist for the CDA.

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

	Carrying Value	Statement Balance	Associated Risks
Money market	\$ 2,159,226	\$ 2,159,226	Custodial credit
Reconciliation to financial statements			
Per statement of net position			
Restricted cash and investments	\$ 2,159,226		

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, 2018, none of the CDA's total bank balances of \$2,159,226 were exposed to custodial credit risk.



# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

#### J. COMPONENT UNIT (cont.)

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

#### c. Long-Term Obligations

	Beginning Balance	Increases	Decreases	Ending Balance
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.	\$ 16,545,000	\$ -	\$ 1,045,000	\$ 15,500,000
2016 community development lease revenue bonds dated February 10, 2016 with interest at 0.65-2.40%. Principal payments vary. Bonds mature December 1, 2032.	3,420,000	-	30,000	3,390,000
Totals	<u>\$ 19,965,000</u>	<u>\$ -</u>	<u>\$ 1,075,000</u>	<u>\$ 18,890,000</u>

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2019	\$ 1,085,000	\$ 634,570	\$ 1,719,570
2020	1,125,000	613,095	1,738,095
2021	1,170,000	585,355	1,755,355
2022	1,220,000	552,466	1,772,466
2023	1,275,000	515,134	1,790,134
2024 – 2028	10,850,000	1,719,738	12,569,738
2029 – 2032	2,165,000	155,495	2,320,495
Totals	<u>\$ 18,890,000</u>	<u>\$ 4,775,853</u>	<u>\$ 23,665,853</u>

#### 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.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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### NOTE V – OTHER INFORMATION

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

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before December 31, 2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

The WRS also provides death and disability benefits for employees.

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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#### NOTE V – OTHER INFORMATION

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

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,314,049 in contributions from the City.

Contribution rates as of December 31, 2018 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

#### ***Pension Liability/(Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2018, the City reported an asset of \$3,727,063 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability/(asset) used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the City's proportion was .12552761%, which was an increase of .00093480% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense of \$1,858,354.

At December 31, 2018, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,744,022	\$ 2,223,724
Changes in assumption	736,395	-
Net differences between projected and actual earnings on pension plan investments	-	5,122,503
Changes in proportion and differences between employer contributions and proportionate share of contributions	54,659	-
Employer contributions subsequent to the measurement date	1,329,434	-
Totals	<u>\$ 6,864,510</u>	<u>\$ 7,346,227</u>

\$1,329,434 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2019	\$ 427,493
2020	(13,910)
2021	(1,271,271)
2022	(962,440)
2023	8,977
Thereafter	-

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

#### ***Pension Liability/(Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** (cont.)

**Actuarial assumptions.** The total pension asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.24	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability/(asset). This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension liability/(asset)	\$9,643,186	\$(3,727,063)	\$(13,888,867)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2018, the City reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

#### B. RISK MANAGEMENT

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

##### **Participation in Public Entity Risk Pool**

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

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

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

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

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

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

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

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$100,000 per occurrence and an annual aggregate limit of \$100,000. An actuarially determined estimate for this liability, as well as for claims incurred but not reported was determined to be \$49,805 at December 31, 2018. Changes in the fund's claims loss liability follow:

	Balance January 1	Incurred Claims	Claims Paid/ Settled	Balance December 31
2017	\$ -	\$ 45,928	\$ -	\$ 45,928
2018	45,928	25,922	22,045	49,805

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

#### **Dental Care**

The City is exposed to various risks of loss related to dental claims. The City's risk management fund (an internal service fund) is used to account for and finance its uninsured risks of loss. Under this program, the risk management fund provides coverage for up to a maximum annual reimbursement per claimant of \$4,000 for basic (Teamsters) members and \$2,000 for all others. There have been no reductions in insurance coverage in 2018.

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, 2017 claim payment data and making assumptions about future claim payments and experiences. The City does not allocate overhead costs or other nonincremental costs to the claims liability. The estimated liability for self-insured losses for this program consisted of the following at December 31, 2018:

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

	Balance January 1	Incurred Claims	Claims Paid	Balance December 31
2017	\$ 20,000	\$ 294,023	\$ 294,023	\$ 20,000
2018	20,000	293,917	293,917	20,000



# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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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, 2018 aggregated approximately \$4,258,159.

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, 2018. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

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

General fund	\$ 54,329
Capital projects – public infrastructure	621,653
Nonmajor funds	<u>314,803</u>
Total	<u>\$ 990,785</u>

#### ***Developer Agreements***

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

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

##### ***Developer Agreements (cont.)***

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

In 2016, the City created TIF District No. 11 and signed an agreement with a developer that requires the developer to pay for specified improvements including the construction of a number of commercial buildings. The City will provide payments to the developer to assist with developer costs solely from future tax increments from the development area. The City contribution for developer costs shall be limited to a maximum of \$2.015 million. A maximum of 70% of the property tax increment revenue attributable to the development project shall be payable in annual installments. Each year beginning September 1, 2019 and continuing each September 1 thereafter until September 1, 2030, the City will pay to the developer 70% of the tax increment revenue received by the City with respect to the development in that year. No payments will be distributed until the property taxes have been paid on the property.

#### **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, 2018 was as follows:

City	Number of 2018 Citations	Number of Citations Since Inception	% of Total
City of Menasha	1,698	31,744	40.0%
City of Neenah	2,580	47,604	60.0%
Totals	4,278	79,348	100.0%

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

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

## CITY OF NEENAH

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

As of December 31, 2018, the court had a deficit of \$278,062. The allocation of this deficit is as follows:

City of Menasha	\$ 100,396
City of Neenah	<u>177,666</u>
Total	<u>\$ 278,062</u>

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

Financial information of the court as of December 31, 2018 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 – 40.44% and City of Neenah – 59.56%.

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, 2018 is included in the City's CAFR as supplementary information. Separate financial statements are not available.

##### ***E. SUBSEQUENT EVENT***

On March 1, 2019, the City issued general obligation promissory notes in the amount of \$8,825,000 to fund the City's capital improvement program. The promissory notes have interest rates ranging from 2.125% to 5.0% and mature on March 1, 2029.

# CITY OF NEENAH

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 86, *Certain Debt Extinguishment Issues*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

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

#### **G. TAX ABATEMENT**

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributions to an economic development or otherwise benefits the governments or the citizens of those governments.

The City is disclosing all abatement agreements individually.

The City through its Tax Incremental Financing Districts (TID) has entered into tax abatement agreements with developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to a future incentive payments that directly correlate to the taxes paid.

Agreement Description	Calculation Method	Developer Commitment	2018 Payment
TID No. 5 Development Agreement – ERA	80% of incremental tax revenue, maximum reimbursement of \$75,000	\$500,000 tax increment	\$ 11,722
TID No. 7 Development Agreement – Festival	80% of incremental tax revenue, maximum reimbursement of \$853,000	\$5.4 million tax increment	95,000
TID No. 9 Development Agreement – Menasha Corp.	70% of incremental tax revenue, maximum reimbursement of \$1.55 million	\$9 million investment	108,610
TID No. 10 – Development Agreement – Site 7	70% of incremental tax revenue, maximum reimbursement of \$420,000	\$6 million investment	67,012
TID No. 11 – Pendleton Park LLC	70% of incremental tax revenue, maximum disbursement of \$2,015,000	\$2 million investment	-

# MAJOR GOVERNMENTAL FUNDS – GENERAL FUND

# CITY OF NEENAH

## GENERAL FUND SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>TAXES</b>				
General property tax	\$ 13,419,260	\$ 13,419,260	\$ 13,419,262	\$ 2
Payment in lieu of taxes	25,200	25,200	25,196	(4)
Total Taxes	13,444,460	13,444,460	13,444,458	(2)
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenues	2,240,830	2,240,830	2,269,328	28,498
Highway maintenance aids	1,079,000	1,079,000	1,078,263	(737)
Police, fire, and library aids	88,700	88,700	84,975	(3,725)
Mass transit aids	330,000	330,000	308,654	(21,346)
Refund of prior year joint fire district payment	100,000	100,000	100,750	750
Total Intergovernmental Revenues	3,838,530	3,838,530	3,841,970	3,440
<b>LICENSES AND PERMITS</b>				
Licenses				
Liquor and malt beverage	25,000	25,000	22,842	(2,158)
Operators	15,000	15,000	12,920	(2,080)
Cigarette	2,500	2,500	2,628	128
Dog and cat	13,000	13,000	12,606	(394)
Sundry	11,500	11,500	10,191	(1,309)
Permits				
Building	110,000	110,000	123,651	13,651
Electrical	28,000	28,000	41,184	13,184
Plumbing	30,000	30,000	40,155	10,155
Furnace	30,000	30,000	41,090	11,090
Sundry	22,300	22,300	19,036	(3,264)
Total Licenses and Permits	287,300	287,300	326,303	39,003
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court fines	87,500	87,500	98,516	11,016
Miscellaneous	2,400	2,400	4,552	2,152
Total Fines, Forfeitures and Penalties	89,900	89,900	103,068	13,168

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>CHARGES FOR SERVICES</b>				
Other				
General government	\$ 787,720	\$ 787,720	\$ 795,753	\$ 8,033
Public safety	215,000	215,000	207,239	(7,761)
Highway and street	110,300	110,300	125,916	15,616
Rental of City property	92,970	92,970	84,763	(8,207)
Public library	856,610	856,610	863,182	6,572
Cemetery	108,600	108,600	127,654	19,054
Park and recreation	533,020	533,020	541,532	8,512
Sundry	12,100	12,100	8,800	(3,300)
Total Other	<u>2,716,320</u>	<u>2,716,320</u>	<u>2,754,839</u>	<u>38,519</u>
Health and Welfare				
Health inspection fees	30,000	30,000	19,693	(10,307)
Total Charges for Services	<u>2,746,320</u>	<u>2,746,320</u>	<u>2,774,532</u>	<u>28,212</u>
<b>INVESTMENT INCOME AND MISCELLANEOUS</b>				
Investment income	438,000	438,000	367,610	(70,390)
Miscellaneous general revenues	199,880	199,880	309,819	109,939
Total Investment Income and Miscellaneous	<u>637,880</u>	<u>637,880</u>	<u>677,429</u>	<u>39,549</u>
Total Revenues	<u>21,044,390</u>	<u>21,044,390</u>	<u>21,167,760</u>	<u>123,370</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In				
TIF District No. 5 fund	72,000	72,000	72,287	287
TIF District No. 6 fund	55,500	55,500	62,943	7,443
TIF District No. 7 fund	106,000	106,000	106,000	-
TIF District No. 8 fund	116,000	116,000	150,930	34,930
TIF District No. 9 fund	36,000	36,000	36,000	-
TIF District No. 10 fund	36,000	36,000	47,096	11,096
TIF District No. 11 fund	36,000	36,000	36,755	755
Information Systems	120,000	120,000	120,000	-
Community development block grant fund	25,000	25,000	27,416	2,416
Housing and business loans fund	40,000	40,000	35,000	(5,000)
Industrial development fund	5,000	5,000	5,000	-
Recycling fund	25,000	25,000	25,000	-
Other special revenue fund	35,950	35,950	-	(35,950)
Cemetery perpetual care fund	20,000	20,000	24,194	4,194
Sewer fund	832,940	832,940	832,940	-
Stormwater fund	413,340	413,340	413,340	-
Water utility fund - payment in lieu of tax	1,016,810	1,016,810	971,182	(45,628)
Benefit accrual fund	-	-	125,048	125,048
Dial-A-Ride	5,000	5,000	5,000	-
Health grants	10,000	10,000	10,000	-
Parking utility fund	117,230	117,230	117,230	-
Total Transfers	<u>3,123,770</u>	<u>3,123,770</u>	<u>3,223,361</u>	<u>99,591</u>
Sale of city property	<u>259,500</u>	<u>259,500</u>	<u>166,723</u>	<u>(92,777)</u>
Total Other Financing Sources	<u>3,383,270</u>	<u>3,383,270</u>	<u>3,390,084</u>	<u>6,814</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 24,427,660</u>	<u>\$ 24,427,660</u>	<u>\$ 24,557,844</u>	<u>\$ 130,184</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, 2018

CURRENT EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Common council	\$ 73,470	\$ 73,470	\$ 83,348	\$ (9,878)
Mayor's office	192,640	215,720	218,169	(2,449)
Finance	1,117,940	1,111,950	1,125,138	(13,188)
Municipal buildings	271,170	269,800	302,043	(32,243)
Human resources	241,830	244,030	221,824	22,206
City attorney	615,280	610,686	586,539	24,147
Total General Government	2,512,330	2,525,656	2,537,061	(11,405)
<b>PUBLIC SAFETY</b>				
Police Department				
Operations	6,276,660	6,213,818	5,913,948	299,870
Police firing range	19,610	19,610	18,210	1,400
Police school liaison program	272,040	268,810	266,874	1,936
Crossing guards	70,420	70,420	57,516	12,904
Capital outlay	24,150	24,150	20,155	3,995
Community service officers/animal control	64,390	64,195	64,773	(578)
K-9 unit	35,950	39,239	14,209	25,030
Fire Department				
Operations	4,990,440	4,990,440	4,989,128	1,312
Other				
Pension	13,160	13,160	9,723	3,437
Police and fire commission	19,270	19,270	11,175	8,095
Total Public Safety	11,786,090	11,723,112	11,365,711	357,401
<b>PUBLIC WORKS</b>				
Engineering	738,540	736,020	747,046	(11,026)
Repair of streets	392,890	390,920	410,377	(19,457)
Snow and ice control	506,370	501,660	475,106	26,554
Weed cutting	42,370	41,940	47,196	(5,256)
Forestry program	192,810	191,380	176,512	14,868
Street lighting	582,990	575,310	574,169	1,141
Municipal garage	495,270	492,150	493,705	(1,555)
Storm and sanitary sewers and drains	275,810	273,030	292,095	(19,065)
Refuse collection	610,960	607,970	745,767	(137,797)
Sewer inspection	48,270	121,810	3,991	117,819
Traffic control	284,290	317,910	291,799	26,111
Capital outlay	5,100	7,026	6,523	503
Sundry	6,990	6,860	10,586	(3,726)
Total Public Works	4,182,660	4,263,986	4,274,872	(10,886)

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>PARKS, RECREATION AND EDUCATION</b>				
Parks and Recreation				
Administration	\$ 596,900	\$ 596,530	\$ 615,301	\$ (18,771)
Adult programs	20,670	20,670	11,587	9,083
Youth programs	24,500	24,500	26,147	(1,647)
Municipal pool and recreation building	277,750	276,680	295,837	(19,157)
Playground programs	100,110	100,110	102,485	(2,375)
Parks	912,010	904,600	939,150	(34,550)
Forestry	89,810	88,380	68,781	19,599
Other activities	44,540	48,735	44,627	4,108
Total Parks and Recreation	<u>2,066,290</u>	<u>2,060,205</u>	<u>2,103,915</u>	<u>(43,710)</u>
Library				
Operations	<u>2,142,180</u>	<u>2,121,310</u>	<u>2,090,623</u>	<u>30,687</u>
Total Parks, Recreation and Education	<u>4,208,470</u>	<u>4,181,515</u>	<u>4,194,538</u>	<u>(13,023)</u>
<b>HEALTH AND WELFARE</b>				
Assistance Program				
Committee on Aging	<u>250</u>	<u>250</u>	<u>119</u>	<u>131</u>
<b>COMMUNITY DEVELOPMENT</b>				
Operations	836,580	836,150	839,475	(3,325)
Celebrations and commemorations	74,290	74,050	66,151	7,899
Housing authority	5,350	5,934	5,149	785
Bus subsidy program	424,430	424,400	416,537	7,863
Older adult center	14,800	14,800	14,800	-
Conservation and development	<u>370,170</u>	<u>369,000</u>	<u>318,692</u>	<u>50,308</u>
Total Community Development	<u>1,725,620</u>	<u>1,724,334</u>	<u>1,660,804</u>	<u>63,530</u>
<b>OTHER</b>				
Cemetery operations	252,920	251,140	251,528	(388)
Miscellaneous	<u>(92,680)</u>	<u>52,090</u>	<u>41,956</u>	<u>10,134</u>
Total Other	<u>160,240</u>	<u>303,230</u>	<u>293,484</u>	<u>9,746</u>
Total Expenditures	<u>24,575,660</u>	<u>24,722,083</u>	<u>24,326,589</u>	<u>395,494</u>
<b>OTHER FINANCING USES</b>				
Transfers Out To				
Dial-A-Ride	12,000	12,000	12,000	-
Other special revenue fund	<u>-</u>	<u>-</u>	<u>7,081</u>	<u>(7,081)</u>
Total Other Financing Uses	<u>12,000</u>	<u>12,000</u>	<u>19,081</u>	<u>(7,081)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 24,587,660</u>	<u>\$ 24,734,083</u>	<u>\$ 24,345,670</u>	<u>\$ 388,413</u>

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

# OTHER MAJOR GOVERNMENTAL FUNDS

# 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, 2018

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 1,336,825	\$ 1,324,692	\$ (12,133)
Intergovernmental	222,030	222,030	-
Investment income and miscellaneous	84,000	113,614	29,614
Total Revenues	<u>1,642,855</u>	<u>1,660,336</u>	<u>17,481</u>
<b>EXPENDITURES</b>			
Current			
Community development	1,000	9,468	(8,468)
Debt Service			
Principal retirement	1,075,000	1,075,000	-
Interest and fiscal charges	652,142	837,211	(185,069)
Total Expenditures	<u>1,728,142</u>	<u>1,921,679</u>	<u>(193,537)</u>
Deficiency of revenues over expenditures	<u>(85,287)</u>	<u>(261,343)</u>	<u>(176,056)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on debt	-	184	184
Transfer in	749,296	756,129	6,833
Transfers out	(1,342,708)	(1,377,772)	(35,064)
Total Other Financing Sources (Uses)	<u>(593,412)</u>	<u>(621,459)</u>	<u>(28,047)</u>
Net Change in Fund Balance	(678,699)	(882,802)	(204,103)
FUND BALANCE (DEFICIT) - Beginning	<u>(5,122,091)</u>	<u>(5,122,091)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (5,800,790)</u>	<u>\$ (6,004,893)</u>	<u>\$ (204,103)</u>

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

# CITY OF NEENAH

## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2018

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/15	0.12675709%	\$ (3,113,501)	\$ 13,691,283	22.74%	102.74%
12/31/16	0.12458703%	2,024,515	13,244,463	15.29%	98.20%
12/31/17	0.12459281%	1,026,942	13,689,999	7.50%	99.12%
12/31/18	0.12552761%	(3,727,063)	13,810,125	26.99%	102.93%

## SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2018

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,228,134	\$ 1,228,134	\$ -	\$ 13,245,015	9.27%
12/31/16	1,215,257	1,215,257	-	13,689,999	8.88%
12/31/17	1,363,477	1,363,477	-	13,810,125	9.87%
12/31/18	1,329,434	1,329,434	-	14,063,467	9.45%

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

## CITY OF NEENAH

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2018

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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 noncommitted governmental funds lapse at year-end. Carryovers to the following year were \$187,019 in the general fund, which includes library operations.

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

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

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

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

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

See independent auditors' report.

# CITY OF NEENAH

## BALANCE SHEET - DEBT SERVICE FUND As of December 31, 2018

	Debt Service Fund
<hr/>	
<b>ASSETS</b>	
Receivables	
Taxes	\$ 3,457,274
Special assessments	480,504
Advances to other funds	<u>6,118,417</u>
 TOTAL ASSETS	 <u>\$ 10,056,195</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
Liabilities	
Accounts payable	\$ 68
Due to other funds	<u>153,030</u>
Total Liabilities	<u>153,098</u>
 Deferred Inflows of Resources	
Property tax levied for next period	3,285,000
Unavailable revenue	<u>479,885</u>
Total Deferred Inflows of Resources	<u>3,764,885</u>
 Fund Balance	
Restricted for debt service	<u>6,138,212</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 10,056,195</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, 2018

	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Taxes	\$ 3,390,000	\$ 3,390,000	\$ -
Intergovernmental	108,509	110,513	2,004
Special assessments	450,000	360,132	(89,868)
Total Revenues	<u>3,948,509</u>	<u>3,860,645</u>	<u>(87,864)</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal retirement	5,438,074	5,438,075	(1)
Interest and fiscal charges	945,388	1,087,418	(142,030)
Total Expenditures	<u>6,383,462</u>	<u>6,525,493</u>	<u>(142,031)</u>
Deficiency of revenues over expenditures	<u>(2,434,953)</u>	<u>(2,664,848)</u>	<u>(229,895)</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	-	27,970	27,970
Premium on debt	105,000	108,091	3,091
Transfers in	3,121,815	3,134,604	12,789
Total Other Financing Sources	<u>3,226,815</u>	<u>3,270,665</u>	<u>43,850</u>
Net Change in Fund Balance	791,862	605,817	(186,045)
FUND BALANCE - Beginning	<u>5,532,395</u>	<u>5,532,395</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 6,324,257</u>	<u>\$ 6,138,212</u>	<u>\$ (186,045)</u>

# 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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 58,630	\$ 58,630
<b>EXPENDITURES</b>			
Capital Outlay	<u>3,856,743</u>	<u>3,116,434</u>	<u>740,309</u>
Deficiency of revenues over expenditures	<u>(3,856,743)</u>	<u>(3,057,804)</u>	<u>798,939</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	2,782,380	2,782,380	-
Transfers out	<u>(26,000)</u>	<u>(56,199)</u>	<u>(30,199)</u>
Total Other Financing Sources (Uses)	<u>2,756,380</u>	<u>2,726,181</u>	<u>(30,199)</u>
Net Change in Fund Balance	(1,100,363)	(331,623)	768,740
FUND BALANCE - Beginning	<u>3,765,046</u>	<u>3,765,046</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 2,664,683</u>	<u>\$ 3,433,423</u>	<u>\$ 768,740</u>



# NON-MAJOR GOVERNMENTAL FUNDS

# CITY OF NEENAH

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2018

### Special Revenue Funds

	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 9	TIF District No. 10
<b>ASSETS</b>					
Cash and investments	\$ 4,872	\$ -	\$ -	\$ -	\$ -
Taxes receivable	370,038	621,051	2,099,035	221,925	313,079
Loans	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from component unit	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	550,497	496,085	-	162,287	-
<b>TOTAL ASSETS</b>	<b>\$ 925,407</b>	<b>\$ 1,117,136</b>	<b>\$ 2,099,035</b>	<b>\$ 384,212</b>	<b>\$ 313,079</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-	-
Advances from other funds	891,000	1,250,000	-	-	244,191
<b>Total Liabilities</b>	<b>891,000</b>	<b>1,250,000</b>	<b>-</b>	<b>-</b>	<b>244,191</b>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for next period	370,038	621,051	2,099,035	221,925	313,079
<b>Total Deferred Inflows of Resources</b>	<b>370,038</b>	<b>621,051</b>	<b>2,099,035</b>	<b>221,925</b>	<b>313,079</b>
<b>Fund Balances</b>					
Nonspendable:					
Prepaid items	-	-	-	-	-
Restricted	-	-	-	162,287	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(335,631)	(753,915)	-	-	(244,191)
<b>Total Fund Balances</b>	<b>(335,631)</b>	<b>(753,915)</b>	<b>-</b>	<b>162,287</b>	<b>(244,191)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 925,407</b>	<b>\$ 1,117,136</b>	<b>\$ 2,099,035</b>	<b>\$ 384,212</b>	<b>\$ 313,079</b>

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Special Revenue Funds							
TIF District No. 11	Community Development Block Grant	Housing/ Business Loans	Industrial Development	Recycling	Health Grants	Parks and Recreation	Dial-A- Ride
\$ -	\$ 159,828	\$ 57,621	\$ 87,210	\$ 194,159	\$ 79,908	\$ 329,284	\$ 88,050
56,840	-	-	-	360,680	-	-	-
-	-	473,439	-	-	-	-	-
-	-	83,782	-	351	-	-	6,275
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 56,840</u>	<u>\$ 159,828</u>	<u>\$ 614,842</u>	<u>\$ 87,210</u>	<u>\$ 555,190</u>	<u>\$ 79,908</u>	<u>\$ 329,284</u>	<u>\$ 94,325</u>
\$ -	\$ -	\$ 1,126	\$ -	\$ 12,974	\$ -	\$ -	\$ 5,903
-	-	83,845	-	4,589	-	-	-
<u>75,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>75,917</u>	<u>-</u>	<u>84,971</u>	<u>-</u>	<u>17,563</u>	<u>-</u>	<u>-</u>	<u>5,903</u>
56,840	-	-	-	360,680	-	-	-
<u>56,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	159,828	529,871	-	-	79,908	-	-
-	-	-	87,210	176,947	-	329,284	88,422
-	-	-	-	-	-	-	-
<u>(75,917)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(75,917)</u>	<u>159,828</u>	<u>529,871</u>	<u>87,210</u>	<u>176,947</u>	<u>79,908</u>	<u>329,284</u>	<u>88,422</u>
<u>\$ 56,840</u>	<u>\$ 159,828</u>	<u>\$ 614,842</u>	<u>\$ 87,210</u>	<u>\$ 555,190</u>	<u>\$ 79,908</u>	<u>\$ 329,284</u>	<u>\$ 94,325</u>

# CITY OF NEENAH

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2018

	Special Revenue Funds					
	Civic and Social	Library	Clock Tower Renovations	Other	Cemetery Perpetual Care	Cemetery Flowers
<b>ASSETS</b>						
Cash and investments	\$ 160,704	\$ 1,432,195	\$ 25	\$ 188,847	\$ 1,299,124	\$ 167,141
Taxes receivable	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other receivables	-	29	-	-	-	-
Due from component unit	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 160,704</b>	<b>\$ 1,432,224</b>	<b>\$ 25</b>	<b>\$ 188,847</b>	<b>\$ 1,299,124</b>	<b>\$ 167,141</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 21	\$ 6,957	\$ -	\$ 2,367	\$ -	\$ -
Other liabilities	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>21</b>	<b>6,957</b>	<b>-</b>	<b>2,367</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>						
Property taxes levied for next period	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Nonspendable:						
Prepaid items	-	-	-	-	-	-
Restricted	-	1,425,267	25	-	1,299,124	-
Committed	160,683	-	-	186,480	-	167,141
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>160,683</b>	<b>1,425,267</b>	<b>25</b>	<b>186,480</b>	<b>1,299,124</b>	<b>167,141</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 160,704</b>	<b>\$ 1,432,224</b>	<b>\$ 25</b>	<b>\$ 188,847</b>	<b>\$ 1,299,124</b>	<b>\$ 167,141</b>

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Special Revenue Funds	Capital Projects Funds						
Walnut	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	TIF District No. 10	TIF District No. 11
\$ 1,413	\$ -	\$ 12,135	\$ 22,382	\$ 1,874	\$ 108,360	\$ -	\$ 29,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,159,226	-	-	-
-	-	-	-	-	-	-	-
-	222,164	81,904	682,790	183,132	-	-	-
\$ 1,413	\$ 222,164	\$ 94,039	\$ 705,172	\$ 2,344,232	\$ 108,360	\$ -	\$ 29,500
\$ -	\$ -	\$ -	\$ -	\$ 92	\$ 10,000	\$ 5,176	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	230,187	-	674,767	-
-	-	-	-	230,279	10,000	679,943	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	222,164	94,039	705,172	2,113,953	98,360	-	29,500
1,413	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(679,943)	-
1,413	222,164	94,039	705,172	2,113,953	98,360	(679,943)	29,500
\$ 1,413	\$ 222,164	\$ 94,039	\$ 705,172	\$ 2,344,232	\$ 108,360	\$ -	\$ 29,500

**CITY OF NEENAH**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2018

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Redevelop- ment	Facilities	Capital Equipment	Equipment Replacement	
<b>ASSETS</b>					
Cash and investments	\$ 1,093	\$ 1,220,319	\$ -	\$ 166,148	\$ 5,812,192
Taxes receivable	-	-	-	-	4,042,648
Loans	-	-	-	-	473,439
Other receivables	-	6,300	-	-	96,737
Due from component unit	-	-	-	-	2,159,226
Prepaid items	-	-	2,181	-	2,181
Advances to other funds	-	-	-	-	2,378,859
<b>TOTAL ASSETS</b>	<b>\$ 1,093</b>	<b>\$ 1,226,619</b>	<b>\$ 2,181</b>	<b>\$ 166,148</b>	<b>\$ 14,965,282</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 2,000	\$ 79,431	\$ 41,713	\$ -	\$ 167,760
Other liabilities	-	-	-	-	88,434
Advances from other funds	-	-	1,115,629	-	4,481,691
<b>Total Liabilities</b>	<b>2,000</b>	<b>79,431</b>	<b>1,157,342</b>	<b>-</b>	<b>4,737,885</b>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for next period	-	-	-	-	4,042,648
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,042,648</b>
<b>Fund Balances</b>					
Nonspendable:					
Prepaid items	-	-	2,181	-	2,181
Restricted	-	-	-	-	6,919,498
Committed	-	-	-	-	1,197,580
Assigned	-	1,147,188	-	166,148	1,313,336
Unassigned (deficit)	(907)	-	(1,157,342)	-	(3,247,846)
<b>Total Fund Balances</b>	<b>(907)</b>	<b>1,147,188</b>	<b>(1,155,161)</b>	<b>166,148</b>	<b>6,184,749</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,093</b>	<b>\$ 1,226,619</b>	<b>\$ 2,181</b>	<b>\$ 166,148</b>	<b>\$ 14,965,282</b>

# CITY OF NEENAH

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2018

	Special Revenue Funds				
	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 9	TIF District No. 10
<b>REVENUES</b>					
Taxes	\$ 335,222	\$ 649,010	\$ 2,105,828	\$ 242,601	\$ 93,291
Intergovernmental	150,734	78,509	57,164	46,716	-
Contributions	-	-	-	-	-
Investment income (loss) and miscellaneous	82	-	26,268	4,900	29
Total Revenues	<u>486,038</u>	<u>727,519</u>	<u>2,189,260</u>	<u>294,217</u>	<u>93,320</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	-	-	-	-
Recycling	-	-	-	-	-
Parks, recreation, and education	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	11,722	150	95,151	108,760	74,742
Conservation and development	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	150	-	-	91	5,595
Total Expenditures	<u>11,872</u>	<u>150</u>	<u>95,151</u>	<u>108,851</u>	<u>80,337</u>
Excess (deficiency) of revenues over expenditures	<u>474,166</u>	<u>727,369</u>	<u>2,094,109</u>	<u>185,366</u>	<u>12,983</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	-	-	-	-
Premium on debt	-	-	-	276	16,940
Sale of city property	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(433,206)	(408,888)	(2,094,109)	(73,178)	(146,736)
Total Other Financing Sources (Uses)	<u>(433,206)</u>	<u>(408,888)</u>	<u>(2,094,109)</u>	<u>(72,902)</u>	<u>(129,796)</u>
Net Change in Fund Balances	40,960	318,481	-	112,464	(116,813)
FUND BALANCES (DEFICIT) - Beginning	<u>(376,591)</u>	<u>(1,072,396)</u>	<u>-</u>	<u>49,823</u>	<u>(127,378)</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (335,631)</u>	<u>\$ (753,915)</u>	<u>\$ -</u>	<u>\$ 162,287</u>	<u>\$ (244,191)</u>

Special Revenue Funds							
TIF District No. 11	Community Development Block Grant	Housing/ Business Loans	Industrial Development	Recycling	Health Grants	Parks and Recreation	Dial-A- Ride
\$ -	\$ -	\$ -	\$ -	\$ 322,164	\$ -	\$ -	\$ -
-	256,461	-	29,093	249,029	-	-	34,275
-	-	-	-	-	-	53,247	8,755
-	4,591	3,195	-	35,896	-	6,400	882
-	261,052	3,195	29,093	607,089	-	59,647	43,912
-	-	-	-	-	-	-	-
-	-	-	-	609,632	-	-	-
-	-	-	-	-	-	46,349	-
-	-	-	-	-	-	-	-
-	446,278	7,444	9,788	-	-	-	38,580
150	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
91	-	-	-	-	-	-	-
241	446,278	7,444	9,788	609,632	-	46,349	38,580
(241)	(185,226)	(4,249)	19,305	(2,543)	-	13,298	5,332
-	-	-	-	-	-	-	-
276	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	255,199	-	-	26,000	-	-	12,000
(38,855)	(27,416)	(260,000)	(5,000)	(25,000)	(12,551)	-	(5,000)
(38,579)	227,783	(260,000)	(5,000)	1,000	(12,551)	-	7,000
(38,820)	42,557	(264,249)	14,305	(1,543)	(12,551)	13,298	12,332
(37,097)	117,271	794,120	72,905	178,490	92,459	315,986	76,090
\$ (75,917)	\$ 159,828	\$ 529,871	\$ 87,210	\$ 176,947	\$ 79,908	\$ 329,284	\$ 88,422



# CITY OF NEENAH

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (cont.) For the Year Ended December 31, 2018

	Special Revenue Funds				
	Civic and Social	Library	Clock Tower Renovations	Other	Cemetery Perpetual Care
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	6,240	-
Contributions	35,673	21,438	-	156,326	-
Investment income (loss) and miscellaneous	2,022	(47,933)	-	2,165	(21,688)
Total Revenues	<u>37,695</u>	<u>(26,495)</u>	<u>-</u>	<u>164,731</u>	<u>(21,688)</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	-	-	46,111	-
Recycling	-	-	-	-	-
Parks, recreation, and education	-	54,151	-	-	-
Health and welfare	-	-	-	-	-
Community development	40,131	-	-	-	-
Conservation and development	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>40,131</u>	<u>54,151</u>	<u>-</u>	<u>46,111</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,436)</u>	<u>(80,646)</u>	<u>-</u>	<u>118,620</u>	<u>(21,688)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sale of city property	13,318	-	-	-	-
Transfers in	-	-	-	7,081	-
Transfers out	-	-	-	(70,452)	(24,194)
Total Other Financing Sources (Uses)	<u>13,318</u>	<u>-</u>	<u>-</u>	<u>(63,371)</u>	<u>(24,194)</u>
Net Change in Fund Balances	10,882	(80,646)	-	55,249	(45,882)
FUND BALANCES (DEFICIT) - Beginning	<u>149,801</u>	<u>1,505,913</u>	<u>25</u>	<u>131,231</u>	<u>1,345,006</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 160,683</u>	<u>\$ 1,425,267</u>	<u>\$ 25</u>	<u>\$ 186,480</u>	<u>\$ 1,299,124</u>

Special Revenue Funds		Capital Project Funds					
Cemetery Flowers	Walnut	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	TIF District No. 10
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,122	699	-	-	-	-	-	271,053
3,122	699	-	-	-	-	-	271,053
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,316	-	-	-	-	-	-	-
-	670	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	25,000	33,227	137,024	1,238,295
-	-	-	-	-	-	-	-
3,316	670	-	-	25,000	33,227	137,024	1,238,295
(194)	29	-	-	(25,000)	(33,227)	(137,024)	(967,242)
-	-	-	-	-	10,000	15,000	920,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	170,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	180,000	15,000	920,000
(194)	29	-	-	(25,000)	146,773	(122,024)	(47,242)
167,335	1,384	222,164	94,039	730,172	1,967,180	220,384	(632,701)
\$ 167,141	\$ 1,413	\$ 222,164	\$ 94,039	\$ 705,172	\$ 2,113,953	\$ 98,360	\$ (679,943)

**CITY OF NEENAH**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018

	Capital Project Funds					Total Nonmajor Governmental Funds
	TIF District No. 11	Redevelop- ment	Facilities	Capital Equipment	Equipment Replacement	
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,748,116
Intergovernmental	-	-	200,000	-	-	1,108,221
Contributions	-	-	-	-	-	275,439
Investment income (loss) and miscellaneous	-	-	-	4,660	4,427	300,770
Total Revenues	-	-	200,000	4,660	4,427	5,432,546
<b>EXPENDITURES</b>						
Current						
Public safety	-	-	-	-	-	46,111
Recycling	-	-	-	-	-	609,632
Parks, recreation, and education	-	-	-	-	-	100,500
Health and welfare	-	-	-	-	-	3,316
Community development	-	-	-	-	-	833,416
Conservation and development	-	-	-	-	-	150
Capital Outlay	-	2,250	1,098,873	3,428,217	3,117	5,966,003
Debt Service	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	5,927
Total Expenditures	-	2,250	1,098,873	3,428,217	3,117	7,565,055
Excess (deficiency) of revenues over expenditures	-	(2,250)	(898,873)	(3,423,557)	1,310	(2,132,509)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt issued	15,000	-	1,794,550	1,265,300	-	4,019,850
Premium on debt	-	-	-	-	-	17,492
Sale of city property	-	-	-	-	-	13,318
Transfers in	-	-	-	73,003	-	543,283
Transfers out	-	-	-	-	-	(3,624,585)
Total Other Financing Sources (Uses)	15,000	-	1,794,550	1,338,303	-	969,358
Net Change in Fund Balances	15,000	(2,250)	895,677	(2,085,254)	1,310	(1,163,151)
FUND BALANCES (DEFICIT) - Beginning	14,500	1,343	251,511	930,093	164,838	7,347,900
FUND BALANCES (DEFICIT) - ENDING	\$ 29,500	\$ (907)	\$ 1,147,188	\$ (1,155,161)	\$ 166,148	\$ 6,184,749

# 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, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 338,292	\$ 335,222	\$ (3,070)
Intergovernmental	150,730	150,734	4
Investment income and miscellaneous	1,000	82	(918)
Total Revenues	<u>490,022</u>	<u>486,038</u>	<u>(3,984)</u>
<b>EXPENDITURES</b>			
Current			
Community development	1,000	11,722	(10,722)
Debt Service			
Interest and fiscal charges	-	150	(150)
Total Expenditures	<u>1,000</u>	<u>11,872</u>	<u>(10,872)</u>
Excess of revenues over expenditures	<u>489,022</u>	<u>474,166</u>	<u>(14,856)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(431,920)</u>	<u>(433,206)</u>	<u>(1,286)</u>
Net Change in Fund Balances	57,102	40,960	(16,142)
FUND BALANCES (DEFICIT) - Beginning	<u>(376,591)</u>	<u>(376,591)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (319,489)</u>	<u>\$ (335,631)</u>	<u>\$ (16,142)</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, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 654,955	\$ 649,010	\$ (5,945)
Intergovernmental	78,510	78,509	(1)
Investment income and miscellaneous	1,000	-	(1,000)
Total Revenues	<u>734,465</u>	<u>727,519</u>	<u>(6,946)</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>1,000</u>	<u>150</u>	<u>850</u>
Excess of revenues over expenditures	<u>733,465</u>	<u>727,369</u>	<u>(6,096)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(401,445)</u>	<u>(408,888)</u>	<u>(7,443)</u>
Net Change in Fund Balances	332,020	318,481	(13,539)
FUND BALANCES (DEFICIT) - Beginning	<u>(1,072,396)</u>	<u>(1,072,396)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (740,376)</u>	<u>\$ (753,915)</u>	<u>\$ (13,539)</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, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 2,125,116	\$ 2,105,828	\$ (19,288)
Intergovernmental	57,160	57,164	4
Investment income and miscellaneous	1,000	26,268	25,268
Total Revenues	<u>2,183,276</u>	<u>2,189,260</u>	<u>5,984</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>96,000</u>	<u>95,151</u>	<u>849</u>
Excess of revenues over expenditures	<u>2,087,276</u>	<u>2,094,109</u>	<u>6,833</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(2,087,276)</u>	<u>(2,094,109)</u>	<u>(6,833)</u>
Net Change in Fund Balances	-	-	-
FUND BALANCES - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# CITY OF NEENAH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 9 - SPECIAL REVENUE FUND For the Year Ended December 31, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 244,823	\$ 242,601	\$ (2,222)
Intergovernmental	46,720	46,716	(4)
Investment income and miscellaneous	1,000	4,900	3,900
Total Revenues	<u>292,543</u>	<u>294,217</u>	<u>1,674</u>
<b>EXPENDITURES</b>			
Current			
Community development	1,000	108,760	(107,760)
Debt Service			
Interest and fiscal charges	-	91	(91)
Total Expenditures	<u>1,000</u>	<u>108,851</u>	<u>(107,851)</u>
Excess of revenues over expenditures	<u>291,543</u>	<u>185,366</u>	<u>(106,177)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on debt	-	276	276
Transfers out	<u>(72,975)</u>	<u>(73,178)</u>	<u>(203)</u>
Total Other Financing Sources (Uses)	<u>(72,975)</u>	<u>(72,902)</u>	<u>73</u>
Net Change in Fund Balances	218,568	112,464	(106,104)
FUND BALANCES - Beginning	<u>49,823</u>	<u>49,823</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 268,391</u>	<u>\$ 162,287</u>	<u>\$ (106,104)</u>

# CITY OF NEENAH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO. 10 - SPECIAL REVENUE FUND For the Year Ended December 31, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 94,147	\$ 93,291	\$ (856)
Investment income and miscellaneous	<u>1,030</u>	<u>29</u>	<u>(1,001)</u>
Total Revenues	<u>95,177</u>	<u>93,320</u>	<u>(1,857)</u>
<b>EXPENDITURES</b>			
Current			
Community development	171,000	74,742	96,258
Debt Service			
Interest and fiscal charges	<u>-</u>	<u>5,595</u>	<u>(5,595)</u>
Total Expenditures	<u>171,000</u>	<u>80,337</u>	<u>90,663</u>
Excess (deficiency) of revenues over expenditures	<u>(75,823)</u>	<u>12,983</u>	<u>88,806</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on debt	-	16,940	16,940
Transfers out	<u>(127,287)</u>	<u>(146,736)</u>	<u>(19,449)</u>
Total Other Financing Sources (Uses)	<u>(127,287)</u>	<u>(129,796)</u>	<u>(2,509)</u>
Net Change in Fund Balances	(203,110)	(116,813)	86,297
FUND BALANCES (DEFICIT) - Beginning	<u>(127,378)</u>	<u>(127,378)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (330,488)</u>	<u>\$ (244,191)</u>	<u>\$ 86,297</u>



# CITY OF NEENAH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO.11 - SPECIAL REVENUE FUND For the Year Ended December 31, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Current			
Conservation and development	-	150	(150)
Debt Service			
Interest and fiscal charges	-	91	(91)
Total Expenditures	-	241	(241)
Deficiency of revenues over expenditures	-	(241)	(241)
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on debt	-	276	276
Transfers out	(36,000)	(38,855)	(2,855)
Total Other Financing Sources (Uses)	(36,000)	(38,579)	(2,579)
Net Change in Fund Balances	(36,000)	(38,820)	(2,820)
FUND BALANCES (DEFICIT) - Beginning	(37,097)	(37,097)	-
FUND BALANCES (DEFICIT) - ENDING	\$ (73,097)	\$ (75,917)	\$ (2,820)

# CITY OF NEENAH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT - SPECIAL REVENUE FUND For the Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 175,000	\$ 256,461	\$ 81,461
Investment income and miscellaneous	-	4,591	4,591
Total Revenues	<u>175,000</u>	<u>261,052</u>	<u>86,052</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>150,000</u>	<u>446,278</u>	<u>(296,278)</u>
Excess (deficiency) of revenues over expenditures	<u>25,000</u>	<u>(185,226)</u>	<u>(210,226)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	255,199	255,199
Transfers out	<u>(25,000)</u>	<u>(27,416)</u>	<u>(2,416)</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>227,783</u>	<u>252,783</u>
Net Change in Fund Balances	-	42,557	42,557
FUND BALANCES - Beginning	<u>117,271</u>	<u>117,271</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 117,271</u>	<u>\$ 159,828</u>	<u>\$ 42,557</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, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Investment income and miscellaneous	\$ 1,760	\$ 3,195	\$ 1,435
<b>EXPENDITURES</b>			
Current			
Community development	4,200	7,444	(3,244)
Deficiency of revenues over expenditures	(2,440)	(4,249)	(1,809)
<b>OTHER FINANCING USES</b>			
Transfers in	25,000	-	(25,000)
Transfers out	(40,000)	(260,000)	(220,000)
Net Change in Fund Balances	(42,440)	(264,249)	(221,809)
FUND BALANCES - Beginning	794,120	794,120	-
FUND BALANCES - ENDING	\$ 751,680	\$ 529,871	\$ (221,809)

## 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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 29,180	\$ 29,093	\$ (87)
<b>EXPENDITURES</b>			
Current			
Community development	15,000	9,788	5,212
Excess of revenues over expenditures	14,180	19,305	5,125
<b>OTHER FINANCING USES</b>			
Transfers out	(5,000)	(5,000)	-
Net Change in Fund Balances	9,180	14,305	5,125
FUND BALANCES - Beginning	72,905	72,905	-
FUND BALANCES - ENDING	<u>\$ 82,085</u>	<u>\$ 87,210</u>	<u>\$ 5,125</u>

# CITY OF NEENAH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RECYCLING - SPECIAL REVENUE FUND For the Year Ended December 31, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 321,340	\$ 322,164	\$ 824
Intergovernmental	215,000	249,029	34,029
Investment income and miscellaneous	13,000	35,896	22,896
Total Revenues	<u>549,340</u>	<u>607,089</u>	<u>57,749</u>
<b>EXPENDITURES</b>			
Current			
Recycling	<u>542,820</u>	<u>609,632</u>	<u>(66,812)</u>
Excess (deficiency) of revenues over expenditures	<u>6,520</u>	<u>(2,543)</u>	<u>(9,063)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	26,000	26,000	-
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balances	7,520	(1,543)	(9,063)
FUND BALANCES - Beginning	<u>178,490</u>	<u>178,490</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 186,010</u>	<u>\$ 176,947</u>	<u>\$ (9,063)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-
Excess of revenues over expenditures	-	-	-
<b>OTHER FINANCING USES</b>			
Transfers out	(10,000)	(12,551)	(2,551)
Total Other Financing Uses	(10,000)	(12,551)	(2,551)
Net Change in Fund Balances	(10,000)	(12,551)	(2,551)
FUND BALANCES - Beginning	92,459	92,459	-
FUND BALANCES - ENDING	<u>\$ 82,459</u>	<u>\$ 79,908</u>	<u>\$ (2,551)</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, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Contributions	\$ 40,000	\$ 53,247	\$ 13,247
Investment income and miscellaneous	<u>2,000</u>	<u>6,400</u>	<u>4,400</u>
Total Revenues	<u>42,000</u>	<u>59,647</u>	<u>17,647</u>
<b>EXPENDITURES</b>			
Current			
Parks, recreation, and education	<u>40,000</u>	<u>46,349</u>	<u>(6,349)</u>
Net Change in Fund Balances	2,000	13,298	11,298
FUND BALANCES - Beginning	<u>315,986</u>	<u>315,986</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 317,986</u>	<u>\$ 329,284</u>	<u>\$ 11,298</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, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 30,000	\$ 34,275	\$ 4,275
Contributions	8,000	8,755	755
Investment income and miscellaneous	-	882	882
Total Revenues	<u>38,000</u>	<u>43,912</u>	<u>5,912</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>43,000</u>	<u>38,580</u>	<u>4,420</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>5,332</u>	<u>10,332</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	12,000	12,000	-
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net Change in Fund Balances	2,000	12,332	10,332
FUND BALANCES - Beginning	<u>76,090</u>	<u>76,090</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 78,090</u>	<u>\$ 88,422</u>	<u>\$ 10,332</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Contributions	\$ 26,000	\$ 35,673	\$ 9,673
Investment income and miscellaneous	<u>18,030</u>	<u>2,022</u>	<u>(16,008)</u>
Total Revenues	<u>44,030</u>	<u>37,695</u>	<u>(6,335)</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>36,400</u>	<u>40,131</u>	<u>(3,731)</u>
Excess (deficiency) of revenues over expenditures	<u>7,630</u>	<u>(2,436)</u>	<u>(10,066)</u>
<b>OTHER FINANCING SOURCES</b>			
Sale of city property	<u>-</u>	<u>13,318</u>	<u>13,318</u>
Net Change in Fund Balances	7,630	10,882	3,252
FUND BALANCES - Beginning	<u>149,801</u>	<u>149,801</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 157,431</u>	<u>\$ 160,683</u>	<u>\$ 3,252</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, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Contributions	\$ 40,000	\$ 21,438	\$ (18,562)
Investment income (loss) and miscellaneous	<u>40,000</u>	<u>(47,933)</u>	<u>(87,933)</u>
Total Revenues	<u>80,000</u>	<u>(26,495)</u>	<u>(106,495)</u>
<b>EXPENDITURES</b>			
Current			
Parks, recreation, and education	<u>55,000</u>	<u>54,151</u>	<u>849</u>
Net Change in Fund Balances	25,000	(80,646)	(105,646)
FUND BALANCES - Beginning	<u>1,505,913</u>	<u>1,505,913</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,530,913</u>	<u>\$ 1,425,267</u>	<u>\$ (105,646)</u>

## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CLOCK TOWER RENOVATIONS - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Current			
Community development	-	-	-
Net Change in Fund Balances	-	-	-
FUND BALANCES - Beginning	25	25	-
FUND BALANCES - ENDING	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ -</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, 2018

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 6,240	\$ 6,240
Contributions	30,000	156,326	126,326
Investment income and miscellaneous	20,000	2,165	(17,835)
Total Revenues	<u>50,000</u>	<u>164,731</u>	<u>114,731</u>
<b>EXPENDITURES</b>			
Current			
Public safety	<u>70,000</u>	<u>46,111</u>	<u>23,889</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>118,620</u>	<u>138,620</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	7,081	7,081
Transfers out	<u>-</u>	<u>(70,452)</u>	<u>(70,452)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(63,371)</u>	<u>(63,371)</u>
Net Change in Fund Balances	(20,000)	55,249	75,249
FUND BALANCES - Beginning	<u>131,231</u>	<u>131,231</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 111,231</u>	<u>\$ 186,480</u>	<u>\$ 75,249</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, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income (loss) and miscellaneous	\$ 30,000	\$ (21,688)	\$ (51,688)
<b>EXPENDITURES</b>			
Capital Outlay	15,000	-	15,000
Excess (deficiency) of revenues over expenditures	15,000	(21,688)	(36,688)
<b>OTHER FINANCING USES</b>			
Transfers out	-	(24,194)	(24,194)
Net Change in Fund Balances	15,000	(45,882)	(60,882)
FUND BALANCES - Beginning	1,345,006	1,345,006	-
FUND BALANCES - ENDING	<u>\$ 1,360,006</u>	<u>\$ 1,299,124</u>	<u>\$ (60,882)</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, 2018

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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>\$ 800</u>	<u>\$ 3,122</u>	<u>\$ 2,322</u>
<b>EXPENDITURES</b>			
Current			
Health and welfare	<u>3,500</u>	<u>3,316</u>	<u>184</u>
Net Change in Fund Balances	(2,700)	(194)	2,506
FUND BALANCES - Beginning	<u>167,335</u>	<u>167,335</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 164,635</u>	<u>\$ 167,141</u>	<u>\$ 2,506</u>

## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 5 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-
Net Change in Fund Balances	-	-	-
FUND BALANCES - Beginning	<u>222,164</u>	<u>222,164</u>	-
FUND BALANCES - ENDING	<u>\$ 222,164</u>	<u>\$ 222,164</u>	<u>\$ -</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, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-
Net Change in Fund Balances	-	-	-
FUND BALANCES - Beginning	<u>94,039</u>	<u>94,039</u>	-
FUND BALANCES - ENDING	<u>\$ 94,039</u>	<u>\$ 94,039</u>	<u>\$ -</u>



## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 7 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2018

---

	<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>35,000</u>	<u>25,000</u>	<u>10,000</u>
Net Change in Fund Balances	(35,000)	(25,000)	10,000
FUND BALANCES - Beginning	<u>730,172</u>	<u>730,172</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 695,172</u>	<u>\$ 705,172</u>	<u>\$ 10,000</u>

## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 8 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2018

	<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>543,698</u>	<u>33,227</u>	<u>510,471</u>
Excess (deficiency) of revenues over expenditures	<u>(543,698)</u>	<u>(33,227)</u>	<u>510,471</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	10,000	10,000	-
Transfers in	<u>-</u>	<u>170,000</u>	<u>170,000</u>
Total Other Financing Sources	<u>10,000</u>	<u>180,000</u>	<u>170,000</u>
Net Change in Fund Balances	(533,698)	146,773	680,471
FUND BALANCES - Beginning	<u>1,967,180</u>	<u>1,967,180</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,433,482</u>	<u>\$ 2,113,953</u>	<u>\$ 680,471</u>

## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 9 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2018

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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>894,451</u>	<u>137,024</u>	<u>757,427</u>
Deficiency of revenues over expenditures	<u>(894,451)</u>	<u>(137,024)</u>	<u>757,427</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(879,451)</u>	<u>(122,024)</u>	<u>757,427</u>
FUND BALANCES - Beginning	<u>220,384</u>	<u>220,384</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (659,067)</u>	<u>\$ 98,360</u>	<u>\$ 757,427</u>

## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 10 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income and miscellaneous	\$ -	\$ 271,053	\$ 271,053
<b>EXPENDITURES</b>			
Capital Outlay	<u>1,914,861</u>	<u>1,238,295</u>	<u>676,566</u>
Deficiency of revenues over expenditures	<u>(1,914,861)</u>	<u>(967,242)</u>	<u>947,619</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>915,000</u>	<u>920,000</u>	<u>5,000</u>
Net Change in Fund Balances	(999,861)	(47,242)	952,619
FUND BALANCES (DEFICIT) - Beginning	<u>(632,701)</u>	<u>(632,701)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ (1,632,562)</u></u>	<u><u>\$ (679,943)</u></u>	<u><u>\$ 952,619</u></u>

## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TIF DISTRICT NO. 11 - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Deficiency of revenues over expenditures	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balances	-	15,000	15,000
FUND BALANCES - Beginning	<u>14,500</u>	<u>14,500</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 14,500</u>	<u>\$ 29,500</u>	<u>\$ 15,000</u>

## CITY OF NEENAH

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
REDEVELOPMENT - CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	-	2,250	(2,250)
Net Change in Fund Balances	-	(2,250)	(2,250)
FUND BALANCES - Beginning	<u>1,343</u>	<u>1,343</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 1,343</u>	<u>\$ (907)</u>	<u>\$ (2,250)</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, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 200,000	\$ 200,000
<b>EXPENDITURES</b>			
Capital Outlay	<u>2,123,049</u>	<u>1,098,873</u>	<u>1,024,176</u>
Deficiency of revenues over expenditures	<u>(2,123,049)</u>	<u>(898,873)</u>	<u>1,224,176</u>
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	<u>1,794,550</u>	<u>1,794,550</u>	<u>-</u>
Net Change in Fund Balances	(328,499)	895,677	1,224,176
FUND BALANCES - Beginning	<u>251,511</u>	<u>251,511</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (76,988)</u>	<u>\$ 1,147,188</u>	<u>\$ 1,224,176</u>

# CITY OF NEENAH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - CAPITAL EQUIPMENT - CAPITAL PROJECTS FUND For the Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment income and miscellaneous	\$ -	\$ 4,660	\$ 4,660
<b>EXPENDITURES</b>			
Capital Outlay	1,823,802	3,428,217	(1,604,415)
Deficiency of revenues over expenditures	(1,823,802)	(3,423,557)	(1,599,755)
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	1,385,100	1,265,300	(119,800)
Transfers in	74,900	73,003	(1,897)
Total Other Financing Sources	1,460,000	1,338,303	(121,697)
Net Change in Fund Balances	(363,802)	(2,085,254)	(1,721,452)
FUND BALANCES - Beginning	930,093	930,093	-
FUND BALANCES (DEFICIT) - ENDING	\$ 566,291	\$(1,155,161)	\$ (1,721,452)



## 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, 2018

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	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Investment income and miscellaneous	\$ -	\$ 4,427	\$ 4,427
<b>EXPENDITURES</b>			
Capital Outlay	-	3,117	(3,117)
Net Change in Fund Balances	-	1,310	1,310
FUND BALANCES - Beginning	164,838	164,838	-
FUND BALANCES - ENDING	<u>\$ 164,838</u>	<u>\$ 166,148</u>	<u>\$ 1,310</u>

# INTERNAL SERVICE FUNDS

# CITY OF NEENAH

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS For the Year Ended December 31, 2018

	Fleet Management	Benefit Accrual	Insurance	Information Systems	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ 702,316	\$ 7,436,356	\$ 86,486	\$ 922,018	\$ 9,147,176
Total Revenues	<u>702,316</u>	<u>7,436,356</u>	<u>86,486</u>	<u>922,018</u>	<u>9,147,176</u>
<b>OPERATING EXPENSES</b>					
Information technology	-	-	-	788,639	788,639
Retirement system expense	-	3,572,148	-	-	3,572,148
Public works	677,582	-	-	-	677,582
Health claims and other employee benefits	-	3,234,087	-	-	3,234,087
Contractual services	-	-	22,045	-	22,045
Total Operating Expenses	<u>677,582</u>	<u>6,806,235</u>	<u>22,045</u>	<u>788,639</u>	<u>8,294,501</u>
Operating Income	24,734	630,121	64,441	133,379	852,675
Transfers out	<u>-</u>	<u>(125,048)</u>	<u>-</u>	<u>(120,000)</u>	<u>(245,048)</u>
Change in Net Position	24,734	505,073	64,441	13,379	607,627
TOTAL NET POSITION - Beginning	<u>268,558</u>	<u>750,015</u>	<u>1,146,126</u>	<u>110,510</u>	<u>2,275,209</u>
TOTAL NET POSITION - ENDING	<u>\$ 293,292</u>	<u>\$ 1,255,088</u>	<u>\$ 1,210,567</u>	<u>\$ 123,889</u>	<u>\$ 2,882,836</u>

# CITY OF NEENAH

## COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

As of December 31, 2018

	<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	\$ 91,127	\$ 3,858,318	\$ 149,096	\$ 60,675	\$ 4,159,216
Accounts receivable	3,979	275,250	-	11,883	291,112
Inventories	213,929	-	-	-	213,929
Prepaid items	24	40,130	-	75,791	115,945
Total Current Assets	<u>309,059</u>	<u>4,173,698</u>	<u>149,096</u>	<u>148,349</u>	<u>4,780,202</u>
Noncurrent Assets					
Deposit with risk pool	-	-	1,117,155	-	1,117,155
Total Assets	<u>309,059</u>	<u>4,173,698</u>	<u>1,266,251</u>	<u>148,349</u>	<u>5,897,357</u>
<b>LIABILITIES AND NET POSITION</b>					
Current Liabilities					
Accounts payable	6,711	259,035	5,879	13,145	284,770
Claims payable	-	20,000	49,805	-	69,805
Other accrued liabilities	9,056	-	-	11,315	20,371
Unearned revenue	-	16,652	-	-	16,652
Compensated absences payable	-	1,512,333	-	-	1,512,333
Total Current Liabilities	<u>15,767</u>	<u>1,808,020</u>	<u>55,684</u>	<u>24,460</u>	<u>1,903,931</u>
Noncurrent Liabilities					
Compensated absences payable	-	1,110,590	-	-	1,110,590
Total Liabilities	<u>15,767</u>	<u>2,918,610</u>	<u>55,684</u>	<u>24,460</u>	<u>3,014,521</u>
<b>NET POSITION</b>					
Unrestricted	<u>293,292</u>	<u>1,255,088</u>	<u>1,210,567</u>	<u>123,889</u>	<u>2,882,836</u>
TOTAL NET POSITION	<u>\$ 293,292</u>	<u>\$ 1,255,088</u>	<u>\$ 1,210,567</u>	<u>\$ 123,889</u>	<u>\$ 2,882,836</u>

# CITY OF NEENAH

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2018

	Fleet Management	Benefit Accrual	Insurance	Information Systems	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from other funds of the city	\$ 701,997	\$ 7,434,117	\$ 86,486	\$ 922,932	\$ 9,145,532
Paid to suppliers for goods and services	(242,969)	(6,596,067)	(12,289)	(238,289)	(7,089,614)
Paid to employees	(464,985)	-	-	(589,357)	(1,054,342)
Net Cash Provided (Used) by Operating Activities	(5,957)	838,050	74,197	95,286	1,001,576
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers out	-	(125,048)	-	(120,000)	(245,048)
Net Cash Provided (Used) by Noncapital Financing Activities	-	(125,048)	-	(120,000)	(245,048)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,957)	713,002	74,197	(24,714)	756,528
CASH AND CASH EQUIVALENTS - Beginning	97,084	3,145,316	74,899	85,389	3,402,688
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 91,127</u>	<u>\$ 3,858,318</u>	<u>\$ 149,096</u>	<u>\$ 60,675</u>	<u>\$ 4,159,216</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>					
Operating income	\$ 24,734	\$ 630,121	\$ 64,441	\$ 133,379	\$ 852,675
Adjustments to operating income to net cash flows from operating activities:					
Change in assets and liabilities:					
Accounts receivable	(319)	(4,391)	-	915	(3,795)
Inventories	(20,455)	-	-	-	(20,455)
Prepaid items	(24)	(3,060)	-	(48,280)	(51,364)
Accounts payable	(11,771)	(2,972)	5,879	7,107	(1,757)
Claims payable	-	-	3,877	-	3,877
Compensated absences	1,878	216,200	-	2,165	220,243
Unearned revenue	-	2,152	-	-	2,152
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (5,957)</u>	<u>\$ 838,050</u>	<u>\$ 74,197</u>	<u>\$ 95,286</u>	<u>\$ 1,001,576</u>
<b>NONCASH ACTIVITIES</b>					
None					

# FIDUCIARY FUNDS

# CITY OF NEENAH

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS For the Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>ADVANCE TAX COLLECTIONS</b>				
<b>Assets</b>				
Cash and investments	\$ 22,676,427	\$ 22,081,727	\$ 22,676,427	\$ 22,081,727
Property taxes receivable	3,967,349	4,521,611	3,967,349	4,521,611
<b>TOTAL ASSETS</b>	<b>\$ 26,643,776</b>	<b>\$ 26,603,338</b>	<b>\$ 26,643,776</b>	<b>\$ 26,603,338</b>
<b>Liabilities</b>				
Accounts payable	\$ 9,281	\$ 10,979	\$ 9,281	\$ 10,979
Due to other governmental units	26,634,495	26,592,359	26,634,495	26,592,359
<b>TOTAL LIABILITIES</b>	<b>\$ 26,643,776</b>	<b>\$ 26,603,338</b>	<b>\$ 26,643,776</b>	<b>\$ 26,603,338</b>
<b>MUNICIPAL COURT</b>				
<b>Assets</b>				
Cash and investments	\$ 108	\$ 100	\$ 108	\$ 100
Accounts receivable	-	132	-	132
Due from other governmental units	308,429	278,062	308,429	278,062
<b>TOTAL ASSETS</b>	<b>\$ 308,537</b>	<b>\$ 278,294</b>	<b>\$ 308,537</b>	<b>\$ 278,294</b>
<b>Liabilities</b>				
Accounts payable	\$ 44,964	\$ 14,911	\$ 44,964	\$ 14,911
Accrued liabilities	1,640	1,808	1,640	1,808
Advances from other governmental units	261,933	261,575	261,933	261,575
<b>TOTAL LIABILITIES</b>	<b>\$ 308,537</b>	<b>\$ 278,294</b>	<b>\$ 308,537</b>	<b>\$ 278,294</b>
<b>NEENAH MENASHA FIRE RESCUE</b>				
<b>Assets</b>				
Cash and investments	\$ 1,948,938	\$ 1,871,722	\$ 1,948,938	\$ 1,871,722
Accounts receivable	6,136	39,120	6,136	39,120
<b>TOTAL ASSETS</b>	<b>\$ 1,955,074</b>	<b>\$ 1,910,842</b>	<b>\$ 1,955,074</b>	<b>\$ 1,910,842</b>
<b>Liabilities</b>				
Accounts payable	\$ 101,556	\$ 45,395	\$ 101,556	\$ 45,395
Accrued liabilities	1,683,590	1,721,453	1,683,590	1,721,453
Deposits	-	15,326	-	15,326
Due to other governmental units	169,928	128,668	169,928	128,668
<b>TOTAL LIABILITIES</b>	<b>\$ 1,955,074</b>	<b>\$ 1,910,842</b>	<b>\$ 1,955,074</b>	<b>\$ 1,910,842</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 For the Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ 24,630,506	\$ 23,953,549	\$ 24,625,473	\$ 23,958,582
Property taxes receivable	3,967,349	4,521,611	3,967,349	4,521,611
Accounts receivable	6,136	39,252	6,136	39,252
Due from other governmental units	308,429	278,062	308,429	278,062
	<u>308,429</u>	<u>278,062</u>	<u>308,429</u>	<u>278,062</u>
<b>TOTAL ASSETS</b>	<u>\$ 28,912,420</u>	<u>\$ 28,792,474</u>	<u>\$ 28,907,387</u>	<u>\$ 28,797,507</u>
<b>Liabilities</b>				
Accounts payable	\$ 160,834	\$ 71,285	\$ 155,801	\$ 76,318
Accrued liabilities	1,685,230	1,723,261	1,685,230	1,723,261
Deposits	-	15,326	-	15,326
Due to other governmental units	26,804,423	26,721,027	26,804,423	26,721,027
Advances from other governmental units	261,933	261,575	261,933	261,575
	<u>261,933</u>	<u>261,575</u>	<u>261,933</u>	<u>261,575</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 28,912,420</u>	<u>\$ 28,792,474</u>	<u>\$ 28,907,387</u>	<u>\$ 28,797,507</u>



## MENASHA-NEENAH MUNICIPAL COURT

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

For the Year Ended December 31, 2018

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#### REVENUES

Court Fines and Penalties	
City of Neenah	\$ 264,228
City of Menasha	168,512
Subtotal	<u>432,740</u>
Reduction of deficit	
City of Neenah	10,000
City of Menasha	31,675
Total Revenues	<u>474,415</u>

#### EXPENDITURES

Salaries	79,906
Fringes	27,020
School/Seminars/Training	140
Postage and Printing	1,685
Audit services	1,350
Telephone	417
Dues and memberships	1,550
Translator	85
Debit card services	1,487
Office supplies	773
I/S services	8,600
Software maintenance	7,547
Witness fees	178
Transfers	3,777
City of Menasha	67,032
State of Wisconsin	107,554
Winnebago County	42,749
City of Neenah	<u>92,198</u>
Total Expenditures	<u>444,048</u>

Expenditures Over (Under) Revenues	30,367
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FUND BALANCE (DEFICIT) - Beginning of Year	<u>(308,429)</u>
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FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (278,062)</u>
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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, 2018

CASH BALANCE - BEGINNING OF YEAR	\$ 1,948,938
<b>CASH COLLECTIONS</b>	
Fire protection fees	
City of Neenah	5,336,738
City of Menasha	<u>3,612,078</u>
Subtotal	8,948,816
FEMA grant	251,437
Interest on investments	27,483
Boat launch fee	<u>1,166</u>
Total Cash Collections	<u>9,228,902</u>
<b>CASH DISBURSEMENTS</b>	
Salaries	5,374,717
Fringes	2,167,808
School/seminars/training	14,248
Dues and memberships	1,033
Employee recognition awards	650
Conferences and meetings	598
Clothing allowance	33,155
Postage	256
Insurance	46,578
Office supplies	4,156
Safety and other supplies	6,781
Protective equipment	44,217
All other equipment	121,289
Maintenance of software and hardware	14,350
Maintenance of PPE/SCBA	5,102
Computer hardware and software and printers/copiers	6,342
Electricity	49,417
Natural gas	19,224
Telephone and cell phone	13,305
Utilities	13,920
Outside services	25,866
Professional services	21,594
Gasoline and oil	27,551
Vehicles	588,657
FEMA grant passed through	251,437
Training	2,382
Equipment maintenance and rental	8,954
Other facility outlay	2,435
Cleaning	12,037
Finance services	23,800
I/S services	140,880
HR services	47,000
Miscellaneous	<u>10,913</u>
Total Cash Disbursements	<u>9,100,652</u>
Collections over Disbursements	128,250
Reconciling items to account for conversion from modified accrual to cash basis:	
Change in accounts receivable and prepaid items	(32,987)
Change in accounts payable and prepaid items	(56,161)
Change in accrued liabilities	37,863
Change in deposits	15,326
Change in due to other governments	<u>(169,507)</u>
Total reconciling items	<u>(205,466)</u>
CASH BALANCE - END OF YEAR	<u>1,871,722</u>
Cash assigned for:	
Distribution back to Neenah	
2018 Operating Funds Not Spent	76,635
Distribution back to Menasha	
2018 Operating Funds Not Spent	52,033
Distribution of future benefits	1,697,659
Payment of outstanding vendor invoices	<u>45,395</u>
	<u>\$ 1,871,722</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, 2018

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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	6,221,700
Transfers in	1,902,871
Sale of city properties	150,000
Total Revenues and Other Financing Sources	<u>\$ 8,403,179</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 8,100,202
Transfers out	80,813
Total Expenditures and Other Financing Uses	<u>\$ 8,181,015</u>
FUND BALANCE - December 31, 2018	<u>\$ 222,164</u>

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

<b>TOTAL AUTHORIZATIONS</b>	<b>\$ 4,738,836</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Intergovernmental	\$ 72,597
Long-term debt issued	5,807,041
Sales of city properties	216,648
Total Revenues and Other Financing Sources	<u>\$ 6,096,286</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 4,249,271
Transfers out	1,752,976
Total Expenditures and Other Financing Uses	<u>\$ 6,002,247</u>
FUND BALANCE - December 31, 2018	<u>\$ 94,039</u>

## CITY OF NEENAH

### PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS Beginning of Project to December 31, 2018

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

<b>TOTAL AUTHORIZATIONS</b>	<b>\$ 13,385,000</b>
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#### **REVENUES AND OTHER FINANCING SOURCES**

Intergovernmental	\$ 147,236
Special assessments	58,049
Contributions	2,510
Investment income and miscellaneous	47,693
Long-term debt issued	18,735,900
Sales of city properties	42,678
Total Revenues and Other Financing Sources	<u>\$ 19,034,066</u>

#### **EXPENDITURES**

Capital improvements	\$ 18,228,894
Transfers out	100,000
Total Expenditures and Other Financing Uses	<u>\$ 18,328,894</u>

FUND BALANCE - December 31, 2018	<u>\$ 705,172</u>
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#### ***TIF DISTRICT NO. 8 FUND***

<b>TOTAL AUTHORIZATIONS</b>	<b>\$ 35,218,850</b>
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#### **REVENUES AND OTHER FINANCING SOURCES**

Intergovernmental	\$ 2,510,578
Contributions	336,414
Investment income and miscellaneous	726,258
Capital lease issued	22,475,000
Long-term debt issued	11,815,556
Transfers in	1,523,813
Total Revenues and Other Financing Sources	<u>\$ 39,387,619</u>

#### **EXPENDITURES AND OTHER FINANCING USES**

Capital improvements	\$ 33,286,647
Transfers out	3,987,019
Total Expenditures and Other Financing Uses	<u>\$ 37,273,666</u>

FUND BALANCE - December 31, 2018	<u>\$ 2,113,953</u>
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## CITY OF NEENAH

### PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS Beginning of Project to December 31, 2018

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

<b>TOTAL AUTHORIZATIONS</b>	<b>\$ 768,000</b>
<b>OTHER FINANCING SOURCES</b>	
Long-term debt issued	\$ 600,000
Transfers in	100,000
Total Revenues and Other Financing Sources	<u>\$ 700,000</u>
<b>EXPENDITURES</b>	
Capital improvements	<u>\$ 601,640</u>
<b>FUND BALANCE - December 31, 2018</b>	<b><u>\$ 98,360</u></b>

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

<b>TOTAL AUTHORIZATIONS</b>	<b><u>\$ 1,533,000</u></b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Intergovernmental	\$ 5,500
Contributions	429,773
Investment income and miscellaneous	112,193
Long-term debt issued	2,875,000
Transfers in	416,000
Total Revenues and Other Financing Sources	<u>\$ 3,838,466</u>
<b>EXPENDITURES</b>	
Capital improvements	<u>\$ 4,518,409</u>
<b>FUND BALANCE (DEFICIT) - December 31, 2018</b>	<b><u>\$ (679,943)</u></b>

## CITY OF NEENAH

### PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS Beginning of Project to December 31, 2018

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<b><i>TIF DISTRICT NO. 11 FUND</i></b>	
<b>TOTAL AUTHORIZATIONS</b>	<b>\$ <u>486,000</u></b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Long-term debt issued	<b>\$ <u>30,000</u></b>
<b>EXPENDITURES</b>	
Capital improvements	<b>\$ <u>500</u></b>
<b>FUND BALANCE - December 31, 2018</b>	<b>\$ <u>29,500</u></b>

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

STATEMENT OF CASH FLOWS  
COMPONENT UNIT  
For the Year Ended December 31, 2018

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

Principal received on lease receivable from primary government	\$ 1,000,054
Principal paid on lease revenue bonds	(1,075,000)
Interest and fiscal charges paid on lease revenue bonds	<u>(913,559)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(988,505)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment income	<u>803,499</u>
Net Cash Flows From Investing Activities	<u>803,499</u>
Net Increase (decrease) in Cash and Cash Equivalents	(185,006)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,344,232</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,159,226</u>

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

Restricted cash and investments	<u>\$ 2,159,226</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,159,226</u>

**NONCASH FINANCING ACTIVITY**

Amortization of loss on advance refunding	<u>\$ 74,946</u>
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# STATISTICAL SECTION



**CITY OF NEENAH, WISCONSIN**  
**Introduction to the Statistical Section**  
**December 31, 2018**

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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.	135 – 140
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.	141 – 144
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.	145 – 149
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.	150 – 152
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.	153 – 154

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Schedule 1**

**CITY OF NEENAH, WISCONSIN**

**Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 70,310,050	\$ 70,932,949	\$ 81,655,241	\$ 81,646,601	\$ 81,134,838	\$ 83,027,527	\$ 82,609,149	\$ 81,963,772	\$ 82,299,995	\$ 84,936,057
Restricted	2,849,403	2,964,224	3,209,959	4,075,167	4,122,877	7,827,128	12,061,179	8,897,303	10,184,992	13,961,930
Unrestricted (deficit)	(1,830,075)	(1,668,489)	(8,326,135)	(7,911,929)	(5,474,461)	(9,643,670)	(6,549,356)	(1,252,548)	(1,049,629)	(6,491,992)
Total governmental activities net position	71,329,378	72,228,684	76,539,065	77,809,839	79,783,254	81,210,985	88,120,972	89,608,527	91,435,358	92,405,995
<b>Business-Type Activities</b>										
Net investment in capital assets	41,028,914	42,233,174	42,688,356	44,548,856	46,259,804	47,296,614	48,640,340	50,651,559	52,210,224	55,269,145
Restricted	1,148,894	1,164,805	1,314,505	1,431,753	1,232,260	1,273,145	1,696,318	1,284,674	1,282,390	1,580,378
Unrestricted	7,678,523	7,083,762	9,291,469	10,063,882	9,984,282	11,025,769	12,437,647	12,954,279	14,476,652	14,567,970
Total business-type activities net position	49,856,331	50,481,741	53,274,330	56,044,491	57,476,346	59,595,528	62,774,305	64,890,512	67,969,266	71,417,493
<b>Primary Government</b>										
Net investment in capital assets	111,338,964	113,166,123	124,323,597	124,804,227	126,159,388	129,212,427	130,261,286	131,750,638	133,769,037	139,563,761
Restricted	3,998,297	4,129,029	4,524,464	5,506,920	5,355,137	9,100,273	13,757,497	10,181,977	11,467,382	15,542,308
Unrestricted	5,848,448	5,415,273	965,334	3,543,183	5,745,075	2,493,813	6,876,494	12,566,424	14,168,205	8,717,419
Total primary government activities net position	\$121,185,709	\$122,710,425	\$129,813,395	\$133,854,330	\$137,259,600	\$140,806,513	\$150,895,277	\$154,499,039	\$159,404,624	\$163,823,488

**Schedule 2**

**CITY OF NEENAH, WISCONSIN**

**Change in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,768,721	\$ 2,466,994	\$ 2,365,644	\$ 2,362,306	\$ 2,648,878
Public safety	10,127,294	10,700,825	11,334,171	10,970,949	10,522,364
Public works	10,373,160	7,232,170	6,444,805	7,491,434	7,785,260
Recycling	464,957	507,448	536,598	477,741	510,705
Parks, recreation & education	4,294,016	4,444,400	4,712,367	4,312,726	3,984,727
Health & welfare	603,072	566,791	592,293	365,020	34,679
Community development	1,494,557	1,741,830	1,720,365	1,622,521	1,511,981
Interest & fiscal charges	2,710,116	2,607,949	2,575,218	2,768,349	3,074,953
Total Governmental Activities Expenses	<u>32,835,893</u>	<u>30,268,407</u>	<u>30,281,461</u>	<u>30,371,046</u>	<u>30,073,547</u>
Business-type activities:					
Water utility	5,567,109	5,664,153	5,515,427	5,729,773	5,977,085
Sewerage disposal utility	3,112,296	2,834,696	3,062,907	2,567,948	3,340,100
Stormwater utility	1,147,804	1,151,825	1,072,497	1,038,419	1,276,294
Other proprietary fund	231,699	192,469	224,971	218,765	250,744
Total Business-type Activities Expenses	<u>10,058,908</u>	<u>9,843,143</u>	<u>9,875,802</u>	<u>9,554,905</u>	<u>10,844,223</u>
Total Primary Government Expenses	<u>\$ 42,894,801</u>	<u>\$ 40,111,550</u>	<u>\$ 40,157,263</u>	<u>\$ 39,925,951</u>	<u>\$ 40,917,770</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:	\$ 2,748,538	\$ 2,715,534	\$ 3,072,815	\$ 3,337,909	\$ 3,131,765
Operating grants and contributions	1,482,633	1,488,315	900,733	721,953	984,782
Capital grants and contributions	454,393	1,023,596	5,341,773	1,773,195	946,701
Total Governmental Activities Program Revenues	<u>4,685,564</u>	<u>5,227,445</u>	<u>9,315,321</u>	<u>5,833,057</u>	<u>5,063,248</u>
Business-type activities:					
Charges for services:					
Water utility	6,543,242	6,654,836	8,798,241	9,143,821	8,343,050
Sewerage disposal utility	2,336,669	3,076,452	3,778,864	3,669,835	3,999,498
Stormwater utility	1,282,547	1,648,620	1,676,896	1,680,337	1,693,528
Other proprietary fund	177,426	202,106	260,162	260,027	290,886
Total Charges for Services	<u>10,339,884</u>	<u>11,582,014</u>	<u>14,514,163</u>	<u>14,754,020</u>	<u>14,326,962</u>
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	455,401	820,333	238,508	(245,447)	157,112
Total Business-type Activities Program Revenues	<u>10,795,285</u>	<u>12,402,347</u>	<u>14,752,671</u>	<u>14,508,573</u>	<u>14,484,074</u>
Total Primary Government Program Revenues	<u>\$ 15,480,849</u>	<u>\$ 17,629,792</u>	<u>\$ 24,067,992</u>	<u>\$ 20,341,630</u>	<u>\$ 19,547,322</u>
<b>Net (Expenses)/Revenue</b>					
Governmental activities	<u>\$(28,150,329)</u>	<u>\$(25,040,962)</u>	<u>\$(20,966,140)</u>	<u>\$(24,537,989)</u>	<u>\$(25,010,299)</u>
Business-type activities	<u>736,377</u>	<u>2,559,204</u>	<u>4,876,869</u>	<u>4,953,668</u>	<u>3,639,851</u>
Total primary government net expense	<u><u>\$(27,413,952)</u></u>	<u><u>\$(22,481,758)</u></u>	<u><u>\$(16,089,271)</u></u>	<u><u>\$(19,584,321)</u></u>	<u><u>\$(21,370,448)</u></u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes	\$ 17,232,207	\$ 17,782,554	\$ 18,160,266	\$ 18,706,015	\$ 19,658,906
Other taxes	43,321	38,015	40,008	32,021	11,925
Intergovernmental revenues not restricted to specific programs	4,307,713	4,108,302	3,985,219	3,605,254	3,915,415
Public gifts and/or grants	1,900	-	-	-	-
Investment income	631,389	535,483	348,909	405,024	226,475
Miscellaneous	131,151	594,088	544,059	765,047	883,270
Transfers	2,115,534	2,108,826	2,198,060	2,295,402	2,287,723
Total Governmental Activities	<u>\$ 24,463,215</u>	<u>\$ 25,167,268</u>	<u>\$ 25,276,521</u>	<u>\$ 25,808,763</u>	<u>\$ 26,983,714</u>
Business-type Activities:					
Other taxes	\$ 125,000	\$ 75,000	\$ 40,000	\$ 71,800	\$ 50,000
Investment income	66,929	90,897	44,819	31,566	26,120
Gain on sale of capital asset/miscellaneous	62,886	9,135	28,961	8,529	3,607
Miscellaneous	-	-	-	-	-
Transfers	(2,115,534)	(2,108,826)	(2,198,060)	(2,295,402)	(2,287,723)
Total Business-type Activities	<u>(1,860,719)</u>	<u>(1,933,794)</u>	<u>(2,084,280)</u>	<u>(2,183,507)</u>	<u>(2,207,996)</u>
Total Primary Government	<u><u>\$ 22,602,496</u></u>	<u><u>\$ 23,233,474</u></u>	<u><u>\$ 23,192,241</u></u>	<u><u>\$ 23,625,256</u></u>	<u><u>\$ 24,775,718</u></u>
<b>Change in Net Position</b>					
Governmental activities	<u>\$(3,687,114)</u>	<u>\$126,306</u>	<u>\$4,310,381</u>	<u>\$1,270,774</u>	<u>\$1,973,415</u>
Business-type activities	<u>(1,124,342)</u>	<u>625,410</u>	<u>2,792,589</u>	<u>2,770,161</u>	<u>1,431,855</u>
Total Primary Government Change in Net Position	<u><u>\$(4,811,456)</u></u>	<u><u>\$751,716</u></u>	<u><u>\$7,102,970</u></u>	<u><u>\$4,040,935</u></u>	<u><u>\$3,405,270</u></u>

**Schedule 2**

**CITY OF NEENAH, WISCONSIN**

**Change in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,630,760	\$ 2,570,344	\$ 2,217,050	\$ 2,344,268	\$ 2,585,411
Public safety	11,754,383	11,031,978	11,928,496	11,970,148	11,526,125
Public works	6,956,331	8,195,235	8,566,701	9,407,358	10,333,099
Recycling	549,003	513,724	454,962	486,056	503,160
Parks, recreation & education	4,813,270	4,904,368	4,576,920	3,297,219	3,500,210
Health & welfare	10,335	7,345	14,016	15,338	5,657
Community development	1,867,479	2,037,299	2,083,869	2,979,032	3,426,866
Interest & fiscal charges	1,934,432	2,052,080	1,853,374	1,988,522	1,830,239
Total Governmental Activities Expenses	<u>30,515,993</u>	<u>31,312,373</u>	<u>31,695,388</u>	<u>32,487,941</u>	<u>33,710,767</u>
Business-type activities:					
Water utility	5,640,643	5,227,739	5,294,514	4,994,625	4,675,013
Sewerage disposal utility	2,982,985	3,172,687	3,476,331	3,248,365	3,457,713
Stormwater utility	1,143,761	1,079,751	1,239,923	1,206,662	1,166,081
Other proprietary fund	283,933	260,187	210,091	242,587	241,988
Total Business-type Activities Expenses	<u>10,051,322</u>	<u>9,740,364</u>	<u>10,220,859</u>	<u>9,692,239</u>	<u>9,540,795</u>
Total Primary Government Expenses	<u>\$ 40,567,315</u>	<u>\$ 41,052,737</u>	<u>\$ 41,916,247</u>	<u>\$ 42,180,180</u>	<u>\$ 43,251,562</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:	\$ 3,134,271	\$ 3,284,555	\$ 3,374,019	\$ 3,602,489	\$ 3,763,445
Operating grants and contributions	1,482,908	907,845	1,039,892	1,116,518	1,282,215
Capital grants and contributions	247,080	824,983	762,455	898,998	1,968,844
Total Governmental Activities Program Revenues	<u>4,864,259</u>	<u>5,017,383</u>	<u>5,176,366</u>	<u>5,618,005</u>	<u>7,014,504</u>
Business-type activities:					
Charges for services:					
Water utility	8,000,288	7,986,324	7,968,827	7,982,137	8,088,402
Sewerage disposal utility	4,127,959	4,319,189	4,390,824	4,498,152	4,483,909
Stormwater utility	1,690,301	1,720,630	1,725,929	1,725,792	1,731,216
Other proprietary fund	341,840	305,570	261,478	292,694	328,537
Total Charges for Services	<u>14,160,388</u>	<u>14,331,713</u>	<u>14,347,058</u>	<u>14,498,775</u>	<u>14,632,064</u>
Operating grants and contributions	63,340	-	-	-	-
Capital grants and contributions	129,041	322,480	521,783	581,956	417,035
Total Business-type Activities Program Revenues	<u>14,352,769</u>	<u>14,654,193</u>	<u>14,868,841</u>	<u>15,080,731</u>	<u>15,049,099</u>
Total Primary Government Program Revenues	<u>\$ 19,217,028</u>	<u>\$ 19,671,576</u>	<u>\$ 20,045,207</u>	<u>\$ 20,698,736</u>	<u>\$ 22,063,603</u>
<b>Net (Expenses)/Revenue</b>					
Governmental activities	<u>\$(25,651,734)</u>	<u>\$(26,294,990)</u>	<u>\$(26,519,022)</u>	<u>\$(26,869,936)</u>	<u>\$(26,696,263)</u>
Business-type activities	<u>4,301,447</u>	<u>4,913,829</u>	<u>4,647,982</u>	<u>5,388,492</u>	<u>5,508,304</u>
Total primary government net expense	<u><u>\$(21,350,287)</u></u>	<u><u>\$(21,381,161)</u></u>	<u><u>\$(21,871,040)</u></u>	<u><u>\$(21,481,444)</u></u>	<u><u>\$(21,187,959)</u></u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes	\$ 19,655,740	\$ 20,244,744	\$ 20,452,731	\$ 20,893,503	\$ 21,559,906
Other taxes	11,741	13,082	13,467	5,323	11,215
Intergovernmental revenues not restricted to specific programs	3,947,213	3,962,895	4,044,741	3,998,979	2,824,481
Public gifts and/or grants	-	-	-	-	-
Investment income	367,437	197,483	406,271	504,920	385,998
Miscellaneous	841,591	647,320	488,256	829,687	550,608
Transfers	2,255,743	2,338,365	2,601,111	2,464,355	2,334,692
Total Governmental Activities	<u>\$ 27,079,465</u>	<u>\$ 27,403,889</u>	<u>\$ 28,006,577</u>	<u>\$ 28,696,767</u>	<u>\$ 27,666,900</u>
Business-type Activities:					
Other taxes	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -
Investment income	45,315	40,773	79,072	133,913	239,922
Gain on sale of capital asset/miscellaneous	8,163	1,282	(9,736)	2,245	3,300
Miscellaneous	-	-	-	18,459	31,393
Transfers	(2,255,743)	(2,338,365)	(2,601,111)	(2,464,355)	(2,334,692)
Total Business-type Activities	<u>(2,182,265)</u>	<u>(2,276,310)</u>	<u>(2,531,775)</u>	<u>(2,309,738)</u>	<u>(2,060,077)</u>
Total Primary Government	<u><u>\$ 24,897,200</u></u>	<u><u>\$ 25,127,579</u></u>	<u><u>\$ 25,474,802</u></u>	<u><u>\$ 26,387,029</u></u>	<u><u>\$ 25,606,823</u></u>
<b>Change in Net Position</b>					
Governmental activities	\$ 1,427,731	\$ 1,108,899	\$ 1,487,555	\$ 1,826,831	\$ 970,637
Business-type activities	2,119,182	2,637,519	2,116,207	3,078,754	3,448,227
Total Primary Government Change in Net Position	<u><u>\$ 3,546,913</u></u>	<u><u>\$ 3,746,418</u></u>	<u><u>\$ 3,603,762</u></u>	<u><u>\$ 4,905,585</u></u>	<u><u>\$ 4,418,864</u></u>

**Schedule 3**

**CITY OF NEENAH, WISCONSIN**

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

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Governmental activities:</b>										
General government	\$ 719,570	\$ 686,787	\$ 729,751	\$ 739,512	\$ 729,554	\$ 773,523	\$ 786,360	\$ 834,436	\$ 833,056	\$ 937,286
Public safety	498,845	534,162	473,636	470,230	476,169	548,888	425,738	492,683	523,093	660,514
Public works	821,993	658,687	4,901,668	505,609	677,605	304,100	538,767	883,295	668,789	1,960,556
Recycling	301,868	405,181	254,650	341,024	496,902	477,051	507,510	526,148	555,042	571,193
Parks, recreation & education	1,361,552	1,432,587	1,573,637	1,962,575	1,515,604	1,723,505	2,005,106	1,578,062	2,093,642	1,906,401
Health & welfare	320,447	301,664	366,466	195,917	79,282	67,525	70,320	79,442	85,141	89,046
Community development	661,289	1,208,377	1,015,513	1,618,190	1,088,132	969,667	683,582	782,300	859,242	889,508
<b>Total Governmental Activities Program Revenues</b>	<b>4,685,564</b>	<b>5,227,445</b>	<b>9,315,321</b>	<b>5,833,057</b>	<b>5,063,248</b>	<b>4,864,259</b>	<b>5,017,383</b>	<b>5,176,366</b>	<b>5,618,005</b>	<b>7,014,504</b>
<b>Business-type activities:</b>										
Water utility	6,604,807	7,198,503	8,825,597	8,856,374	8,360,827	8,015,556	8,064,463	8,061,895	8,109,132	8,203,327
Sewerage disposal utility	2,348,002	3,077,464	3,778,864	3,709,635	4,137,075	4,240,051	4,518,612	4,730,345	4,821,540	4,767,627
Stormwater utility	1,665,050	1,924,274	1,888,048	1,682,537	1,695,286	1,755,322	1,765,548	1,815,123	1,857,365	1,749,608
Other proprietary fund	177,426	202,106	260,162	260,027	290,886	341,840	305,570	261,478	292,694	328,537
<b>Total Business-type Activities Program Revenues</b>	<b>10,795,285</b>	<b>12,402,347</b>	<b>14,752,671</b>	<b>14,508,573</b>	<b>14,484,074</b>	<b>14,352,769</b>	<b>14,654,193</b>	<b>14,868,841</b>	<b>15,080,731</b>	<b>15,049,099</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 15,480,849</b>	<b>\$ 17,629,792</b>	<b>\$ 24,067,992</b>	<b>\$ 20,341,630</b>	<b>\$ 19,547,322</b>	<b>\$ 19,217,028</b>	<b>\$ 19,671,576</b>	<b>\$ 20,045,207</b>	<b>\$ 20,698,736</b>	<b>\$ 22,063,603</b>

## Schedule 4

## CITY OF NEENAH, WISCONSIN

## Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 100,169	\$ 89,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,177,445	4,044,338	-	-	-	-	-	-	-	-
Nonspendable	-	-	196,731	213,867	100,257	131,047	162,307	69,063	49,991	44,317
Assigned	-	-	226,579	117,790	74,421	134,959	286,201	292,010	361,836	337,019
Unassigned	-	-	3,290,715	3,621,301	3,782,035	3,747,098	3,692,608	3,825,574	3,978,169	4,220,834
Total General Fund	4,277,614	4,133,715	3,714,025	3,952,958	3,956,713	4,013,104	4,141,116	4,186,667	4,389,996	4,602,170
<b>Other Governmental Funds</b>										
Reserved	14,547,065	9,140,146	-	-	-	-	-	-	-	-
Unreserved:										
Special Revenue Funds	(5,735,291)	(4,260,324)	-	-	-	-	-	-	-	-
Capital Project Funds	3,093,416	(10,667)	-	-	-	-	-	-	-	-
Nonspendable	-	-	5,110,108	4,403,864	892,229	1,300,465	2,211	21,805	113,987	2,181
Restricted	-	-	4,703,138	6,815,761	8,318,015	10,270,257	13,200,197	12,821,308	12,676,160	13,057,710
Committed	-	-	1,191,730	998,859	1,135,457	1,057,197	1,098,278	1,064,595	1,093,222	1,197,580
Assigned	-	-	658,364	658,786	4,119,924	3,242,555	4,791,949	4,970,016	5,008,135	4,746,759
Unassigned (deficit)	-	-	(7,704,171)	(8,030,941)	(6,019,537)	(7,388,808)	(7,985,646)	(6,355,929)	(7,368,254)	(9,252,739)
Total Other Governmental Funds	11,905,190	4,869,155	3,959,169	4,846,329	8,446,088	8,481,666	11,106,989	12,521,795	11,523,250	9,751,491
Total All Governmental Funds	\$ 16,182,804	\$ 9,002,870	\$ 7,673,194	\$ 8,799,287	\$ 12,402,801	\$ 12,494,770	\$ 15,248,105	\$ 16,708,462	\$ 15,913,246	\$ 14,353,661

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  
(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 17,275,468	\$ 17,463,554	\$ 18,038,420	\$ 18,593,242	\$ 19,897,356	\$ 19,929,065	\$ 20,551,635	\$ 20,807,131	\$ 21,241,305	\$ 21,907,266
Intergovernmental	5,690,668	5,927,091	5,268,396	5,739,668	5,311,539	5,250,974	5,261,598	5,015,672	5,315,423	5,341,364
Licenses and permits	209,369	236,438	272,417	381,153	277,171	243,559	338,491	283,649	322,829	326,303
Fines, forfeitures and penalties	129,116	126,060	114,095	130,272	108,058	92,372	83,306	83,922	86,218	103,068
Special assessments	420,556	485,784	292,000	391,991	339,146	244,090	255,338	471,314	438,901	360,132
Charges for services	2,367,214	2,394,063	2,455,719	2,501,628	2,534,198	2,590,284	2,676,479	2,706,577	2,742,980	2,774,532
Contributions	194,941	146,667	277,420	365,507	211,523	315,592	160,646	124,951	114,844	275,439
Investment income and miscellaneous	1,104,648	1,024,057	722,474	1,238,270	965,633	1,116,355	709,376	812,239	1,314,997	1,091,813
Total revenues	27,391,980	27,803,714	27,440,941	29,341,731	29,644,624	29,782,291	30,036,869	30,305,455	31,577,497	32,179,917
<b>Expenditures by Function</b>										
General government	2,648,212	2,064,590	2,049,477	2,076,328	2,133,309	2,257,794	2,177,819	2,333,870	2,470,604	2,537,061
Public safety	9,792,701	10,228,844	10,724,329	10,921,135	10,951,421	10,930,803	10,962,262	11,068,765	11,286,286	11,411,822
Public works	3,945,681	4,006,233	4,045,034	4,078,836	4,198,844	4,189,970	4,147,828	4,140,075	4,084,921	4,274,872
Recycling	479,741	521,270	569,995	519,326	546,489	583,230	544,038	511,733	553,674	609,632
Parks, recreation and education	3,769,351	3,868,301	3,868,201	3,804,729	3,901,458	4,065,487	4,094,752	4,226,671	4,138,797	4,295,038
Health and welfare	592,711	584,687	602,295	386,549	33,752	9,208	3,328	3,291	3,276	3,435
Community development	1,532,962	1,669,208	1,674,582	1,612,638	1,465,685	1,820,963	1,981,612	2,020,743	2,136,509	2,503,688
Conservation and development	-	-	-	-	-	-	-	-	-	-
Other	286,036	299,390	307,525	289,815	276,819	291,005	251,698	292,909	291,559	293,484
Capital Outlay	6,590,055	6,624,826	2,932,671	5,888,869	3,262,846	3,901,278	3,692,981	4,979,179	5,727,550	9,082,437
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	5,057,494	5,300,816	5,296,152	3,834,466	20,841,286 a)	5,414,820	5,249,257	8,209,835	7,234,808	6,513,075
Interest and fiscal charges	2,833,740	2,677,616	2,597,537	2,571,987	3,723,662	2,037,422	1,988,386	2,253,996	1,860,291	1,930,556
Total expenditures	37,528,684	37,845,781	34,667,798	35,984,678	51,335,571	35,501,980	35,101,427	40,041,330	40,588,564	43,455,250
<b>Excess of Revenues Over(Under) Expenditures</b>	(10,136,704)	(10,042,067)	(7,226,857)	(6,642,947)	(21,690,947)	(5,719,689)	(5,064,558)	(9,735,875)	(9,011,067)	(11,275,333)
<b>Other Financing Sources (Uses)</b>										
Long-term debt issued	3,290,000	4,280,000	3,335,000	4,200,000	3,765,000	3,230,000	6,430,000	4,975,000	3,990,000	6,830,200
Refunding debt issued (principal paid)	3,830,314	(4,025,000)	-	4,186,092	7,177,826	-	-	-	5,135,000	-
Premium (discount) on debt	137,637	70,686	19,362	113,622	365,525	45,318	130,295	97,954	494,332	125,767
Payment to escrow agent	-	-	-	(3,485,965)	(6,358,607)	-	(1,259,854)	-	(4,007,580)	-
Proceeds from capital lease issued	-	-	-	-	17,620,000	-	-	3,500,000	-	-
Sale of city property	117,453	65,218	19,759	16,630	70,588	10,597	14,087	22,167	59,789	180,041
Transfers in	6,523,367	11,707,906	6,231,780	5,802,172	5,616,339	6,417,060	8,017,935	8,345,209	7,914,195	7,657,377
Transfers out	(4,307,833)	(9,236,677)	(3,708,720)	(3,063,511)	(2,962,210)	(3,891,317)	(5,514,570)	(5,744,098)	(5,369,885)	(5,077,637)
Total other financing sources (uses)	9,590,938	2,862,133	5,897,181	7,769,040	25,294,461	5,811,658	7,817,893	11,196,232	8,215,851	9,715,748
<b>Net change in fund balances</b>	(545,766)	(7,179,934)	(1,329,676)	1,126,093	3,603,514	91,969	2,753,335	1,460,357	(795,216)	(1,559,585)
Fund Balance January 1	16,728,570	16,182,804	9,002,870	7,673,194	8,799,287	12,402,801	12,494,770	15,248,105	16,708,462	15,913,246
Fund Balance December 31	\$ 16,182,804	\$ 9,002,870	\$ 7,673,194	\$ 8,799,287	\$ 12,402,801	\$ 12,494,770	\$ 15,248,105	\$ 16,708,462	\$ 15,913,246	\$ 14,353,661
** Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures	22.73%	25.51%	25.53%	20.99%	50.98% a)	23.31%	22.46%	29.20%	26.06%	23.30%

\*\* 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%.

Schedule 6

CITY OF NEENAH, WISCONSIN

**ASSESSED AND EQUALIZED VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years<sup>1</sup>  
(Dollars in Thousands)

Levy Year	Fiscal Year	Real Property <u>Equalized Values</u>			Personal Property <u>Equalized Value</u>	<u>Total</u>		Percent of Total
		<u>Residential</u>	<u>Commercial</u>	<u>Manufacturing</u>	<u>Combined Commercial &amp; Mfg.</u>	<u>Equalized Value</u>	<u>Assessed Value<sup>2</sup></u>	<u>Assessed to Total Equalized Value</u>
2009	2010	1,300,398	428,355	163,669	88,927	1,981,349	1,896,663	95.75
2010	2011	1,253,720	415,681	162,550	86,894	1,918,845	1,922,975	100.21
2011	2012	1,256,796	416,071	162,351	81,551	1,916,769	1,854,866	96.77
2012	2013	1,223,562	403,408	155,476	81,448	1,840,563	1,863,894	101.27
2013	2014	1,200,957	403,624	159,953	88,374	1,852,908	1,899,744	102.53
2014	2015	1,235,121	418,411	172,767	92,044	1,918,343	1,918,934	100.03
2015	2016	1,248,470	420,132	166,506	97,947	1,933,055	1,937,527	100.23
2016	2017	1,287,210	435,160	172,050	97,240	1,991,660	1,956,029	98.21
2017	2018	1,362,628	466,680	166,631	99,346	2,095,285	1,964,662	93.77
2018	2019	1,452,270	502,586	171,531	83,275	2,209,662	1,961,250	88.76

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

<sup>2</sup> Assessed values are established by the City Assessor on all property except manufacturing property as of January 1 of each year. The Wisconsin Department of Revenue determines manufacturing property assessed values as of January 1 of each year. A revaluation of all property was completed in 2011.



## Schedule 7

## CITY OF NEENAH, WISCONSIN

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Per \$1,000 of Equalized Value

Levy Year	Budget Year	General Fund	Debt Service Fund	Capital		Parking Fund	TIF		City Total	Neenah School District	Fox Valley		County & State	Total Gross	State Credit	Total Net
				Recycling Fund	Projects Fund		IS Fund	Districts Fund			School District	Technical College				
2009	2010	5.73	1.59	0.10		0.04	0.18	0.47	8.11	8.51	1.71		5.72	24.05	1.31	22.74
2010	2011	6.18	1.67	0.10		0.02	0.08	0.49	8.54	8.81	1.78		5.87	25.00	1.36	23.64
2011	2012	6.37	1.67	0.05		0.04		0.55	8.68	8.57	1.79		5.84	24.88	1.34	23.54
2012	2013	6.63	1.74			0.03		0.80	9.20	8.94	1.97		6.02	26.13	1.38	24.75
2013	2014	6.75	1.73			0.01		0.78	9.27	8.60	1.97		5.74	25.58	1.33	24.25
2014	2015	6.68	1.67			0.01		0.83	9.19	8.55	1.12		5.76	24.62	1.25	23.37
2015	2016	6.71	1.70					0.82	9.23	8.57	1.12		5.61	24.53	1.39	23.14
2016	2017	6.64	1.69					0.83	9.16	8.05	1.11		5.58	23.90	1.33	22.57
2017	2018	6.40	1.62					0.88	8.90	7.75	1.08		5.27	23.00	1.38	21.62
2018	2019	6.18	1.49					0.88	8.55	7.28	1.06		5.07	21.96	1.28	20.68

Per \$1,000 of Assessed Value

Levy Year	Budget Year	General Fund	Debt Service Fund	Capital		Parking Fund	TIF		City Total	Neenah School District	Fox Valley		County & State	Total Gross	State Credit	Total Net
				Recycling Fund	Projects Fund		IS Fund	Districts Fund			School District	Technical College				
2009	2010	5.99	1.66	0.10		0.04	0.19	0.49	8.47	8.89	1.79		5.98	25.13	1.37	23.76
2010	2011	6.16	1.67	0.10		0.02	0.08	0.49	8.52	8.79	1.78		5.85	24.94	1.36	23.58
2011	2012	6.58	1.73	0.05		0.04		0.57	8.97	8.85	1.85		6.03	25.70	1.38	24.32
2012	2013	6.55	1.72			0.03		0.79	9.09	8.82	2.11		5.78	25.80	1.36	24.42
2013	2014	6.59	1.69			0.01		0.75	9.04	8.39	1.92		5.60	24.95	1.30	23.65
2014	2015	6.68	1.67			0.01		0.83	9.19	8.55	1.12		5.75	24.61	1.25	23.36
2015	2016	6.70	1.69					0.82	9.21	8.55	1.12		5.60	24.48	1.39	23.09
2016	2017	6.76	1.72					0.85	9.33	8.19	1.14		5.68	24.34	1.36	22.98
2017	2018	6.83	1.72					0.94	9.49	8.26	1.16		5.62	24.53	1.47	23.06
2018	2019	6.97	1.67					0.99	9.63	8.20	1.19		5.72	24.74	1.44	23.30

## Schedule 8

## CITY OF NEENAH, WISCONSIN

PRINCIPAL TAXPAYERS

## 2018 AND NINE YEARS PRIOR

December 31, 2018

<u>Name</u>	<u>Nature of Business</u>	<u>Percent of Total Assessed Value (A)</u>	<u>2018 Assessed Value</u>	<u>2018 Equalized Value</u>
1. Plexus Corporation	Computer Products and Service	1.62%	\$31,831,500	\$35,862,438
2. Bergstrom Consortio Inc	Auto Sales & Service	1.20%	23,481,800	26,455,385
3. Menasha Corporation	Printing & Container Mfg.	1.12%	21,946,300	24,725,439
4. Alta Resources	Telemarketing & Fulfillment	1.01%	19,751,400	22,252,591
5. Wright Residential Properties	Rentals	0.91%	17,869,800	20,132,717
6. Ireit Neenah Fox Point LLC	Grocery/Commercial	0.69%	13,583,900	15,304,078
7. Jewelers Mutual Insurance Co.	Insurance	0.63%	12,435,100	14,009,802
8. Kimberly-Clark	Paper Products	0.60%	11,802,800	13,297,431
9. Spring Creek Center LLC	Grocery/Retail Sales/Banking	0.60%	11,778,500	13,270,054
10. LHPT TCMC Aylward/Pavilion (Theda Clark)	Healthcare	0.60%	11,724,500	13,209,216
<b>Total</b>		<b>8.98%</b>	<b>\$176,205,600</b>	<b>\$198,519,151</b>

(A) Based on the City's total 2018 assessed valuation of \$1,961,250,400 (established January 1, 2018 for the 2018 levy).

December 31, 2009

<u>Name</u>	<u>Nature of Business</u>	<u>Percent of Total Assessed Value (B)</u>	<u>2009 Assessed Value</u>	<u>2009 Equalized Value</u>
1. Alta Resources	Telemarketing & Fulfillment	1.20%	\$22,304,100	\$23,294,100
2. Kimberly-Clark	Paper Products	1.00%	17,999,400	18,798,329
3. Neenah Foundry	Cast Metal Products	0.80%	15,324,200	16,004,387
4. Walmart	Retail Sales	0.80%	15,185,700	15,859,739
5. Menasha Corporation	Printing & Container Mfg.	0.70%	14,048,900	14,672,480
6. Fox Point	Retail Sales	0.70%	13,119,800	13,702,141
7. Jewelers Mutual Insurance Co.	Insurance	0.70%	13,100,000	13,681,462
8. Bergstrom Consortio Inc.	Auto Sales & Service	0.60%	12,031,500	12,565,535
9. Plexus Corporation	Computer Products & Service	0.60%	10,550,700	11,019,008
10. Pechiney Plastics Pkg.	Flexible Packaging & Carton Mfg.	0.50%	9,615,300	10,042,089
<b>Total</b>		<b>7.60%</b>	<b>\$143,279,600</b>	<b>\$149,639,270</b>

(B) Based on the City's total 2009 assessed valuation of \$1,896,663,757 (established January 1, 2009 for the 2009 levy).

Schedule 9

CITY OF NEENAH, WISCONSIN

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

Collection Year	Total Tax Levy	Collections Prior to Transfer of Roll on		Percent of Levy Collected	Total Tax Collections		Total as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
		August 1 <sup>1</sup>	August 1 <sup>1</sup>		As of 12/31	As of 12/31			
2009	45,323,061	44,350,351	44,350,351	97.85	45,285,803	45,285,803	99.92	37,258	0.08
2010	47,659,333	46,781,439	46,781,439	98.16	47,634,231	47,634,231	99.95	25,102	0.05
2011	47,967,870	46,501,895	46,501,895	96.94	47,944,797	47,944,797	99.95	23,073	0.05
2012	47,683,352	46,841,224	46,841,224	98.23	47,653,038	47,653,038	99.94	30,314	0.06
2013	48,093,781	47,333,417	47,333,417	98.42	48,069,844	48,069,844	99.95	23,937	0.05
2014	47,403,198	46,808,084	46,808,084	98.74	47,371,911	47,371,911	99.93	31,287	0.07
2015	47,224,136	46,672,262	46,672,262	98.83	47,174,518	47,174,518	99.90	49,618	0.10
2016	47,423,113	46,909,803	46,909,803	98.92	47,415,136	47,415,136	99.98	7,977	0.02
2017	47,608,458	47,155,717	47,155,717	99.05	47,605,347	47,605,347	99.99	3,111	0.01
2018	48,191,460	47,685,450	47,685,450	98.95	48,187,194	48,187,194	99.99	4,266	0.01

<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										City Population	Total Debt Per Capita
	G.O. Notes/Bonds	Note Anticipation Notes	Capital Leases	G.O. Notes for Business-Type Activities	Water		Sanitary Sewer		Storm Water		Capital Leases	Total Primary Government				
					Revenue Bonds	System Clean Water Loan	Revenue Bonds	Revenue Bonds								
2009	44,759,225	0	22,475,000	6,137,369	34,310,815	0	400,405	0	400,405	0	108,082,814	25,800	4,189.26			
2010	39,713,409	0	22,475,000	6,521,137	32,147,812	0	446,223	0	446,223	0	101,303,581	25,501	3,972.53			
2011	37,777,257	0	22,450,000	7,525,650	29,926,476	0	452,605	0	452,605	0	98,131,988	25,612	3,831.48			
2012	39,273,910	0	22,425,000	8,181,034	27,141,137	0	433,540	0	433,540	0	97,454,621	25,723	3,788.62			
2013	39,562,952	0	22,987,673	8,400,430	24,686,109	9,620,219	413,874	0	413,874	0	105,671,257	25,750	4,103.74			
2014	37,821,664	0	22,544,141	8,686,334	22,270,691	10,529,720	393,588	0	393,588	0	102,246,138	25,833	3,957.97			
2015	36,925,947	1,350,000	22,090,611	8,518,933	19,739,162	10,102,648	372,662	0	372,662	0	99,099,963	25,871	3,830.54			
2016	37,291,112	1,350,000	21,726,251	8,560,252	17,445,789	9,635,215	351,077	0	351,077	0	96,359,696	26,050	3,699.03			
2017	39,557,791	0	19,046,197	9,167,919	14,718,970	9,334,328	328,811	0	328,811	0	92,154,016	25,976	3,547.66			
2018	40,171,940	0	18,046,143	8,686,160	12,545,475	8,818,618	305,843	0	305,843	0	88,574,179	26,137	3,388.84			

**Schedule 11**

**CITY OF NEENAH, WISCONSIN**

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

<b>Calendar Year Ending 12/31</b>	<b>General Outstanding Debt <sup>1</sup></b>	<b>Equalized Valuation <sup>2</sup></b>	<b>Percent of Debt to Eq. Valuation</b>	<b>Estimated Population</b>	<b>Debt Per Capita</b>
2009	50,896,594	1,981,348,900	2.57%	25,800	1,972.74
2010	46,234,546	1,918,845,500	2.41%	25,501	1,813.05
2011	45,302,907	1,916,768,500	2.36%	25,612 *	1,768.82
2012	47,454,944	1,840,562,900	2.58%	25,723 *	1,844.84
2013	47,963,382	1,852,907,500	2.59%	25,750 *	1,862.66
2014	46,507,998	1,918,342,200	2.42%	25,833 *	1,800.33
2015	45,444,880	1,933,055,000	2.35%	25,871 *	1,756.60
2016	45,851,364	1,991,660,100	2.30%	26,050 *	1,760.13
2017	48,725,710	2,095,284,800	2.33%	25,976 *	1,875.80
2018	48,858,100	2,209,662,100	2.21%	26,137 *	1,869.31

\* 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: \$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 \$471,087 in Storm Water Clean Water Loan Revenue Bonds in 2009, \$1,350,000 Water Utility Revenue Refunding Bonds in 2012, \$3,545,000 Water Utility Revenue Refunding Bonds in 2013 and \$835,000 Water Utility Revenue Refunding Bonds in 2017.

In addition, the Community Development Authority of the City of Neenah (CDA) issued \$17,620,000 in Lease Revenue Refunding Bonds in 2013 and \$3,500,000 Lease Revenue Refunding Bonds in 2016. These amounts are also excluded from the calculations shown above.

Schedule 12

**CITY OF NEENAH, WISCONSIN**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

December 31, 2018

<b><u>Jurisdiction</u></b>	<b><u>Debt Outstanding<sup>1</sup></u></b>	<b><u>Percent Applicable to City of Neenah</u></b>	<b><u>Amount Applicable to City of Neenah</u></b>
<b><u>Direct Debt</u></b>			
City of Neenah <sup>2</sup>	<u>\$58,218,083</u>	100.00	<u>\$58,218,083</u>
<b><u>Overlapping Debt</u></b>			
Neenah Joint School District	0	49.94	0
Fox Valley Technical College	80,765,000	5.60	4,522,840
Winnebago County	<u>25,597,020</u>	16.40	<u>4,197,911</u>
Total Overlapping Debt	<u>\$106,362,020</u>		<u>\$8,720,751</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$164,580,103</u>		<u>\$66,938,834</u>

<sup>1</sup> Includes outstanding debt for long-term lease purchase agreements and Note Anticipation Notes. 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, 2018**

Equalized Value of Real and Personal Property	<u>\$2,209,662,100</u>	
Debt Limit, Five (5) Percent of Equalized Valuation (Wisconsin Statutory Limitation)	<u>\$110,483,105</u>	100.00%
Total General Obligation Debt	<u>\$48,858,100</u>	
Amount of Debt Applicable to Debt Limitation:		
Total Obligation Bonds Applicable to Debt Limit at December 31, 2018	\$48,858,100	44.22%
Less: Assets in Debt Service Fund Available for Payment of Principal	\$38,212	
Net Amount of Debt Applicable to Debt Limit	\$48,819,888	44.19%
Remaining Legal Debt Margin	\$61,663,217	55.81%

Schedule 14

CITY OF NEENAH, WISCONSIN

**REVENUE BOND COVERAGE**

**Water Utility**

Last Ten Fiscal Years

<b><u>Fiscal Year</u></b>	<b><u>Direct Operating Revenues</u></b>	<b><u>Direct Operating Expenses</u></b> <sup>2</sup>	<b><u>Net Revenue Available for Debt Service</u></b>	<b><u>Debt Service Requirements</u></b> <sup>1</sup>			<b><u>Coverage</u></b>
				<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>	
2009	6,543,242	3,011,329	3,531,913	2,445,418	715,536	3,160,954	1.12
2010	6,654,836	3,144,405	3,510,431	2,464,633	727,594	3,192,227	1.10
2011	8,798,241	3,051,506	5,746,735	2,445,418	715,537	3,160,955	1.82
2012	9,143,821	3,176,012	5,967,809	2,481,529	600,395	3,081,924	1.94
2013	8,343,050	3,304,263	5,038,787	2,531,529	544,463	3,075,992	1.64
2014	8,000,288	3,289,327	4,710,961	2,531,529	544,463	3,075,992	1.53
2015	7,986,324	2,995,535	4,990,789	2,360,972	420,181	2,781,153	1.79
2016	7,968,827	3,120,136	4,848,691	2,360,972	420,181	2,781,153	1.74
2017	7,982,137	2,936,341	5,045,796	2,198,467	229,066	2,427,533	2.08
2018	8,088,402	2,875,825	5,212,577	2,094,342	331,227	2,425,569	2.15

<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 2020) on all outstanding bond issues as of December 31, 2018.

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



**Schedule 15**

**CITY OF NEENAH, WISCONSIN**

**WATER UTILITY DATA**

**TEN LARGEST WATER USERS**

**Year Ending December 31, 2018**

<b><u>Name</u></b>	<b><u>Nature of Business</u></b>	<b><u>Thousands of Gallons (000)</u></b>	<b><u>Water Billing<sup>1</sup></u></b>
1. Galloway	Dairy Products	90,894	\$456,518
2. Neenah Foundry	Castings	67,962	350,944
3. Kimberly Clark Corporation	Paper Research/Paper & Hygiene Products	51,750	261,072
4. Neenah Paper	High Quality Bond Paper	42,673	212,335
5. Theda Clark Regional Medical Center	Healthcare	34,213	179,453
6. Georgia Pacific	Paper Research	13,332	71,501
7. Industrial Towel & Uniform	Commercial Laundry	11,276	65,832
8. Bemis	Packaging	8,467	46,207
9. Plexus	Electronic Components/Corporate Offices	6,774	37,575
10. Menasha Packaging	Packaging	6,141	34,477
Total of Ten Largest Retail Users		333,482	\$1,715,914
Total Water Utility		910,154	\$7,823,060
Ten Largest as Percent of Total Water Utility		37%	22%

<sup>1</sup> Total water revenue only.

**HISTORICAL WATER USAGE**

(millions of gallons)  
Last Five Fiscal Years

<b><u>Calendar Year</u></b>	<b><u>Gallons Billed</u></b>	<b><u>Gallons Pumped</u></b>
2014	894	1,230
2015	888	1,069
2016	885	1,069
2017	890	1,032
2018	910	1,084

**DAILY DEMAND STATISTICS**

(millions of gallons per day)  
Last Five Fiscal Years

<b><u>Calendar Year</u></b>	<b><u>Average Daily Demand</u></b>	<b><u>Maximum Daily Demand</u></b>	<b><u>Maximum Rated System Capacity</u></b>
2014	3.37	4.75	12.00
2015	2.93	4.91	12.00
2016	2.93	4.44	12.00
2017	2.83	4.07	12.00
2018	2.97	4.8	12.00

**Schedule 16**

**CITY OF NEENAH, WISCONSIN**

**DEMOGRAPHIC & ECONOMIC STATISTICS**

**Last Ten Fiscal Years**

<u>Adjusted Gross Income per Return<sup>2</sup></u>					
<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>
2008	25,560	\$53,345	\$47,046	113	4.3
2009	25,800	54,626	45,372	120	7.3
2010	25,501	55,830	46,958	118	10.0
2011	25,612	57,680	47,640	121	8.8
2012	25,723	59,870	49,900	120	8.7
2013	25,750	60,070	50,670	119	8.0
2014	25,833	61,320	52,050	118	4.6
2015	25,871	63,798	54,227	118	3.8
2016	26,050	63,075	55,267	115	3.2
2017	25,951	65,052	56,698	115	3.0

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 & COMMERCIAL EMPLOYERS**

**2018 and Nine Years Prior**

<b><u>2018 Company Name</u></b>	<b><u>2018 Product or Service</u></b>	<b><u>2018 Number of Employees</u></b>
Kimberly-Clark Corporation	Paper Products	2,000
J.J. Keller & Associates	Commercial Printing & Misc. Publishing	1,200
Plexus Corporation	Computer Products & Services	1,100
Neenah Foundry, Inc.	Cast Metal Products	900
Theda Clark Medical Center	Healthcare	826
N & M Transfer Co. Inc.	Local Trucking	800
Neenah Joint School District	Education	750
Alta Resources	Telemarketing & Fulfillment	600
Starshow Presents Inc.	Marketing	500
Outlook Group Corp.	Commercial Printing	396

Source: Infogroup (www.salesgenie.com) and direct employer contacts.

<b><u>2009 Company Name</u></b>	<b><u>2009 Product or Service</u></b>	<b><u>2009 Number of Employees</u></b>
Kimberly-Clark Corporation	Paper Products	2,475
Plexus Corporation	Computer Products Mfg.	1,697
Theda Clark Medical Center	Healthcare	1,330
SCA Tissue North America LLC	Paper Napkin Stock	1,060
Neenah Foundry Inc.	Cast Metal Products	850
J. J. Keller & Associates	Publisher & Printer Services for Tech and Regulatory Information	800
XSYS Print Solutions Inks LLC	Lithographic Ink & Chemical Products Mfg.	800
Neenah Joint School District	Education	740
Alta Resources	Outsourced Customer Care Solutions	550
N & M Transfer	Local Trucking	550

Source: Employer Contacts (April 2009); 2009 Wisconsin Business Services; 2009 Wisconsin Manufacturing Directories.

**Schedule 18**

**CITY OF NEENAH, WISCONSIN**

**SCHEDULE OF INSURANCE IN FORCE**

**December 31, 2018**

<b><u>Type of Coverage</u></b>	<b><u>Carrier</u></b>	<b><u>Limits of Coverage</u></b>	<b><u>Premium</u></b>
Boiler and Machinery	XL Insurance America	\$250,000,000	\$3,081
Buildings, Personal Property & Property in the Open	Municipal Property Insurance Company	\$166,908,734	\$51,741
Contractors Equipment	Municipal Property Insurance Company	\$3,785,116	\$5,542
Pier and Wharf	Municipal Property Insurance Company	\$267,800	\$147
Monies and Securities	Municipal Property Insurance Company	\$25,000	\$125
Fine Arts	Municipal Property Insurance Company	\$814,500	\$733
Auto Physical Damage	Cities & Villages Mutual Insurance Company	\$15,000,000	\$45,906
Workers Compensation	Cities & Villages Mutual Insurance Company	Each E/ee for Disease \$100,000 Each Accident \$100,000	\$461,829
Liability Coverage (General, Law Enforcement, Public Officials)	Cities & Villages Mutual Insurance Company	\$5,000,000	\$80,641
Excess Public Entity Liability (General, Law Enforcement, Public Officials)	Berkley Insurance Company	\$5,000,000	\$3,535
Employment Practice Liability	Ironshore Specialty Insurance Company	\$1,000,000	\$21,292
Crime Coverage	Hanover Insurance Company	\$3,000,000	\$1,295
Privacy & Network Liability	Illinois Union Insurance Company	\$2,000,000	\$0
Pollution Liability Coverage	Indian Harbor Insurance Company	\$1,000,000	\$2,824
Volunteer Insurance	Berkley Life & Health Insurance Company	\$500,000	\$15,827

**Schedule 19**

**CITY OF NEENAH, WISCONSIN**

**MISCELLANEOUS STATISTICS**

**December 31, 2018**

**Date of Incorporation: March 13, 1873**

**Form of Government: Mayor/Aldermanic (9)**

	<b><u>2018</u></b>	<b><u>2017</u></b>		<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Population</b>	26,137	25,976	<b>Municipal Industrial Park</b>		
<b>Area Square Miles</b>			Acres	370.3	361
Acres – Land	9.6	9.6	Public R-O-W Acres	49.5	49.5
Acres - Water	5,984.66	5,939.35	Sold/Developed Acres	16.5	16.5
	198.34	198.34	Sold/Undeveloped Acres	0	0
<b>Altitude (in feet)</b>	754	754	Optioned	0	0
<b>Miles of Streets</b>			Available-City	92.8	83.5
Local Streets	99.68	99.68	Available-Private	6.34	6.34
Arterial/Collector Highways	36.33	36.33	Stormwater/Wetland	12.5	12.5
<b>TOTAL</b>	136.01	136.01			
<b>Number of Street Lights</b>	3,346	3,469	<b>Fire Protection</b>		
			Number of Stations	4	4
<b>Municipal Water Utility</b>			Number of Firefighters	63	62
Average Number of Customers	10,723	10,649			
Average Daily Consumption	2,493,573	2,440,452	<b>Police Protection</b>		
Miles of Water Mains	139.27	139.03	Number of Stations	1	1
<b>Miles of Sewers</b>			Number of Sworn Police Officers	41	36
Storm	97.8	97.8	<b>Parks and Recreation</b>		
Sanitary	127.54	127.3	Acres of Developed/Undeveloped	383	383
			Number of Parks	25	25
<b>Building Permits</b>			Number of Swimming Pools	1	1
Permits Issued	1,243	560			
Estimated Cost of Construction	\$31,564,989	\$48,385,614	<b>Public Library</b>		
			Collection	376,640	224,355
<b>Permanent City Employees</b>			Circulation	821,418	860,221
Full Time	236	234			
Part Time	31	32			