

Town of Menasha

Bridging the Fox Cities

**Comprehensive
Annual
Financial
Report**

as of and for the year ended
December 31, 2013

TOWN OF MENASHA
Wisconsin

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

As of and for the Year Ended
December 31, 2013

Prepared By:
FINANCE DEPARTMENT

Myra R. Piergrossi, CPA, CMTW, Director of Finance
Corey Reschke, Accounting Technician
Tami Thompson, Accounting Technician

TOWN OF MENASHA

TABLE OF CONTENTS As of and for the Year Ended December 31, 2013

INTRODUCTORY SECTION

| | |
|-----------------------------|----------|
| Letter of Transmittal | i – viii |
| List of Principal Officials | ix |
| Organization Chart | x |

FINANCIAL SECTION

| | |
|--|------------|
| Independent Auditors' Report | xi – xiii |
| Management's Discussion and Analysis | xiv – xxxv |
| Basic Financial Statements | |
| Statement of Net Position | 1 |
| Statement of Activities | 2 – 3 |
| Balance Sheet – Governmental Funds | 4 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 5 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 6 |
| Statement of Net Position – Proprietary Funds | 7 – 8 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds | 9 |
| Statement of Cash Flows – Proprietary Funds | 10 – 11 |
| Statement of Assets and Liabilities – Agency Fund | 12 |
| Notes to Financial Statements | 13 – 51 |
| Required Supplementary Information | |
| General Fund – Detailed Schedule of Revenues and Other Financing Sources Compared to Budget | 52 – 53 |
| General Fund – Detailed Schedule of Expenditures and Other Financing Uses Compared to Budget | 54 – 55 |
| Notes to Required Supplementary Information | 56 |
| Supplemental Information | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 57 |

TOWN OF MENASHA

TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2013

FINANCIAL SECTION (cont.)

Supplemental Information (cont.)

| | |
|--|---------|
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds | 58 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual | |
| Debt Service Fund | 59 |
| Capital Projects Fund | 60 |
| Equipment Replacement Fund | 61 |
| Garbage Collection/Recycling Special Revenue Fund | 62 |
| Grants Special Revenue Fund | 63 |
| GREAT Special Revenue Fund | 64 |
| Other Special Revenue Fund | 65 |
| Other Special Revenue Fund – Combining Subfunds Balance Sheet | 66 – 68 |
| Other Special Revenue Fund – Combining Subfunds Schedule of Revenues, Expenditures, and Changes in Fund Balances | 69 – 71 |
| Statement of Changes in Assets and Liabilities – Agency Fund | 72 |

STATISTICAL SECTION

| | |
|--|----|
| Index to the Statistical Section | 73 |
| Schedule 1 – Net Position by Component | 74 |
| Schedule 2 – Change in Net Position | 75 |
| Schedule 3 – Program Revenues by Function/Program | 76 |
| Schedule 4 – Fund Balances, Governmental Funds | 77 |
| Schedule 5 – Change in Fund Balances, Governmental Funds Last Ten Fiscal Years | 78 |
| Schedule 6 – Assessed and Equalized Value of Taxable Property | 79 |
| Schedule 7 – Property Tax Rates – All Direct and Overlapping Governments | 80 |
| Schedule 8 – Principal Taxpayers | 81 |
| Schedule 9 – Property Tax Levies and Collections | 82 |
| Schedule 10 – Outstanding Debt by Type | 83 |
| Schedule 11 – Ratio of Outstanding Debt to Equalized Valuation, Debt Per Capita, and Debt to Personal Income | 84 |
| Schedule 12 – Computation of Direct and Overlapping Debt | 85 |

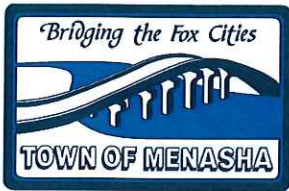
TOWN OF MENASHA

TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2013

STATISTICAL SECTION (cont.)

| | |
|--|----|
| Schedule 13 – Computation of Legal Debt Margin | 86 |
| Schedule 14 – Revenue Bond Coverage | 87 |
| Schedule 15 – Water Utility Data | 88 |
| Schedule 16 – Demographic Statistics | 89 |
| Schedule 17 – Principal Industries and Commercial Employers | 90 |
| Schedule 18 – Schedule of Insurance in Force | 91 |
| Schedule 19 – Miscellaneous Statistics | 92 |
| Schedule 20 – Operating Indicators by Function/Program | 93 |
| Schedule 21 – Capital Asset Statistics by Function/Program | 94 |
| Schedule 22 – Full-time Equivalent Town Government Employees by Function/Program | 95 |

INTRODUCTORY SECTION



Town of Menasha

Finance Office ♦ 2000 Municipal Drive ♦ Neenah, WI 54956-5665
Utility Offices ♦ 2340 American Drive ♦ Neenah, WI 54956-5665
Phone: (920) 720-7106 ♦ Fax: (920) 720-7116
www.town-menasha.com

April 4, 2014

Chairman Youngquist and Town Board of Supervisors
Town of Menasha Residents:

The 2013 Comprehensive Annual Financial Report (CAFR) of the Town of Menasha (Town) was prepared by the Finance Department.

Management Representations

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. 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 and account groups of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Reporting Entity

The Town provides a full range of services, including police and fire protection; construction and maintenance of highways, streets, trails, water, sewer and stormwater systems, and other infrastructure facilities; garbage and recycling services; community development services; and park and recreational activities. The Town of Menasha Utility District, consisting of water and sewer are reported as enterprise funds of the primary government. In 2009, the Town of Menasha also formed the Town of Menasha Stormwater Utility, which is reported as an enterprise fund. Also included are activities of the Police and Fire Commission, Park Commission, and Planning Commission, and other smaller boards and commissions over which the Town Board of Supervisors exercises or has the ability to exercise direct administrative authority and/or responsibility. The Neenah Joint School District, Menasha Joint School District, Appleton Area School District, Grand Chute Menasha West Sewerage Commission, Neenah-Menasha Sewerage Commission, and Fox Valley Technical College do not meet the established criteria for inclusion in the reporting entity and accordingly are excluded from this report. These entities are independent jurisdictions with elected governing bodies and minimal financial interdependency with the Town. Separate audited statements are available from each of these respective agencies.

Additionally, the Town of Menasha is a separate and distinct entity from the City of Menasha and our borders do not overlap in any fashion. However, since the town borders the city, the Town of Menasha and the City of Menasha may do various projects together.

History of the Town

Source: *Town of Menasha Bridging the Past with the Future 1855 to 2005*

In the late 1600s and early 1700s, the Fox Indians had a large village about one mile west of Little Lake Butte des Morts, near the present day Town of Menasha Fritse Park. It was from this village that they would come to the shore of the lake and stop the French traders as they followed the main channel along the western shore of the lake. In 1730, the French authorities decided to rid the area of Fox Indians and opened up negotiations with the Menominee Indians, who were the Fox Indians enemies, promising them hunting grounds. It is from the ensuing battle, that the lower lake got its name, *Butte des Morts*, which means 'hill of the dead' in French.

In 1831, the United States Government bought 2.5 million acres of land from the Indians by treaty which included the land of the Town. The first settler in what is now known as the Town of Menasha was James Ladd. A native of Vermont, he moved into one of the government block houses. In 1849, Mr. Ladd constructed a lime-kiln on his farm (west side of Little Lake Butte des Morts), from which he supplied this entire section of country with brick.

In 1849, the Town of Neenah comprised the area of present day Cities and Towns of Neenah and Menasha. In 1854, the Menasha area wanted improvements to the railroad system in their area, Neenah residents did not feel a need for these projects and to avoid paying for this, they petitioned the county board for a division. On April 3, 1855, Town officers were elected.

Overview of the Town

The Town of Menasha comprises an area of 12.5 square miles and 97.84 miles of roads, and is strategically located in East Central Wisconsin in the heart of the Fox River Valley, which is approximately 90 miles north of Milwaukee. The Town is one of seventeen communities that comprise the Neenah-Oshkosh Metropolitan Statistical Area (MSA), the sixth largest metropolitan area in the State of Wisconsin. This MSA has increased 6.7% since 2000, and the Town of Menasha's population is over 10% of this MSA.

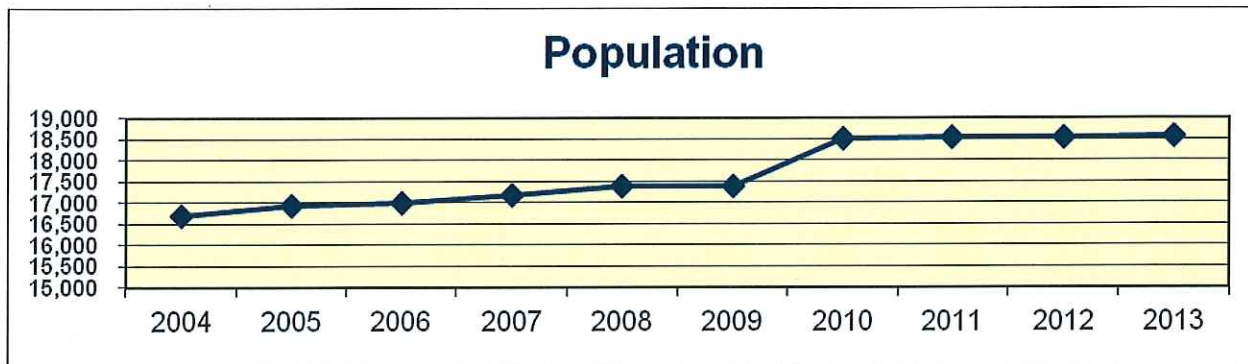
The Town is home to several Fortune 500 industries including: Kimberly-Clark Corporation, Pierce Manufacturing (division of Oshkosh Truck), Aramark, RR Donnelly, and Pitney Bowes. Other major employers include: Clearwater Paper, Great Northern Corporation, Miron Construction Company Inc., Hayes Manufacturing, Outlook Graphics, Warehouse Specialists, and SCA Tissue.

The Town has a chairman/supervisor form of government, with the chairman and four supervisors serving at-large. The chairman and supervisors are elected for two-year alternating terms.

The Town of Menasha is a growing community in which urban services are provided in a more rural atmosphere, with an appointed full-time administrator, who manages the daily operations. The Town provides for the public safety of its residents through its Police Department. The Police Department provides patrol, traffic control services, crime prevention and detection, investigations and community relations. The Fire Department has five full-time and fifty part-time paid on call employees. In addition to fire suppression and prevention, the department provides fire inspections, community education, paramedic level medical transportation and specialized rescues. The Town's residents are also provided with waste collection and disposal,

snow and ice removal, street and sewer repairs, recyclable material collection, parks maintenance and recreation activities, in addition to sewer, water, and stormwater services.

The Town of Menasha is located in Winnebago County and borders the Cities of Appleton, Menasha, and Neenah, the Towns of Clayton, Grand Chute, Greenville, Harrison, and Neenah. The Town of Menasha has shorefront property on Little Lake Butte des Morts. The Town of Menasha is the second largest Town in the state of Wisconsin, with a population of 18,582. The table below shows the population growth in the Town of Menasha, over the last 10 years.



Public school districts serving Town residents are Menasha Joint School District and Neenah Joint School District with a very small portion of the Appleton Area School District. The Menasha Joint School District facilities include one high school, one middle school, one alternative school and five elementary schools. Student enrollment for 2012-13 was 3,588 students. Neenah Joint School District facilities include one high school, two middle schools and ten elementary schools. Student enrollment for 2012-13 was 6,355. In addition, St. Mary's Catholic School, a parochial high school, provides comprehensive educational programs.

Opportunities for post-secondary and adult continuing education are offered by Fox Valley Technical College, which is ranked among the nation's top three vocational education programs. The fire-fighter training facility located in nearby Neenah is one of only three in the State of Wisconsin. In addition, Lawrence University, the University of Wisconsin - Fox Valley Center, the University of Wisconsin - Oshkosh, and the University of Wisconsin - Green Bay are within easy commuting distance for Town residents. Marion College, located in Fond du Lac, is a four-year liberal arts college, which offers classes in nearby Neenah.

The Town maintains one of the lowest tax rates in the Fox Cities. The 2013 equalized tax rate was \$5.65 per \$1,000 of equalized value or \$5.39 per \$1,000 of assessed value. The equalized tax value on January 1, 2013 increased 1.73%; whereas, the assessed value decreased \$3,174,600 or 0.22%, from \$1,464,447,600 to \$1,461,273,000. For 2013, the assessment ratio was 105.80% compared to 106.56% in 2012, 100.77% in 2011, 102.75% in 2010, and 104.44% in 2009. The assessment ratio shows that the Town of Menasha's assessed property values are 5.8% higher than the average property sales in 2013 compared to 6.56% higher in 2012. Detailed tax information can be viewed in the Statistical Section of this report.

The Town of Menasha is very proud of our spectacular trail system. The Town currently has 19.8 miles of off-road pedestrian transportation trails. The Fox Cities Trestle-Friendship Trail is the largest pedestrian trail crossing a body of water in the State of Wisconsin. It crosses Little Lake Butte des Morts between the Town of Menasha Fritse Park and the City of Menasha. It

includes fishing platforms, observation platforms, a major pavilion, and a draw bridge to coordinate pedestrian traffic with the operation of the locks system. The Trestle Trail is part of the state Friendship Trail, which, when completed, will run from Manitowoc to Stevens Point, over 100 miles.

Economic Condition and Outlook

If the overall assessment ratio is over 100%, then a decline in the overall assessment ratio is a good indicator of an improving real estate market when compared to a relatively constant assessed valuation. As stated previously, the Town's ratio was 105.80 in 2013.

Another increase in the Town of Menasha's economic condition can be seen in the increase of the building permit activity. Even though in 2013 the Town of Menasha saw the lowest number of building permits issued in over ten years, 759 permits; the Town's building permit value was not at the lowest level. It was actually 16% higher than the 2012 value at \$21.2 million. In 2012 the Town of Menasha had 762 permits and \$18.3 million in value. The major 2013 projects for this permit value include an expansion of an assisted care facility, Touchmark, which doubled its size and a new development for Penske Trucking. Additionally, the reuse of the former Kimberly-Clark Lakeview Plant continued to expand with the leasing of the balance of the building for additional manufacturing use.

As seen in the Statistical Section, Schedule 16, the 2013 average annual unemployment rate for the Oshkosh-Neenah Metropolitan Statistical Area was 6.2% compared to 6.4% in 2012, 6.7% in 2011, 7.4% in 2010 and 7.8% in 2009. Additionally, the annual 2013 local unemployment rate of 6.2% compared to 7.4% nationally and 6.7% for the State of Wisconsin shows that there has been significant job loss in this area; however, compared to the whole country and even the State of Wisconsin, this area is below average.

Due to economic growth in the Town over most of the last several years, there has also been strong financial growth, which was also seen in 2013. From 2004 through 2007, the General Fund Balance has increased \$1,713,594, which can be seen in the Statistical Section, Schedule 4. Even though the economy was in a downturn during 2008 - 2012, the Town still saw an increase to the overall general fund balance of \$90,637, \$584,798, \$336,356, \$285,259, and \$416,544 respectively. In 2013, the Town of Menasha had a \$58,382 increase in general fund balance. The 2013 unassigned general fund balance is at 22% of the next year's general fund expenditures. Since the Town is over the unassigned fund balance goal of 10% - 20% of the next year's general fund expenditures, the Town of Menasha Board of Supervisors has budgeted to use a portion of the unassigned fund balance for one-time expenditures in 2014. The unassigned fund balance growth directly links to the Town of Menasha Town Board and management staff's continual fiscal responsibility to the residents while managing operations.

Financial Information

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town 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 grants, the Town is also responsible for assuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations. This system of internal controls is subject to periodic evaluation by management.

Budgetary Controls

The Town maintains strong budgetary controls over its funds. The objective of these controls is to ensure safety of funds and compliance with legal provisions incorporated in the annual budget adopted by the Town of Menasha Town Board, Town of Menasha Stormwater Utility Commission, and the Town of Menasha Utility District Commission. Annual budgets are adopted for all funds, including General, Special Revenue, Debt Service, Capital Projects, Equipment Replacement, Water Utility, Sewer Utility, and Stormwater Utility funds. For the General Fund, the budget is adopted at a department/activity level. The Town also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end; however, encumbrances can be reappropriated as part of the following year's budget through formal resolution. For unbudgeted expenditures, the Town Board may at any time, by a 2/3 vote of the entire membership, transfer any portion of an unencumbered balance of an appropriation to any other department/activity or from one fund to another fund.

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

Purchasing Policy

The Town of Menasha not only adheres to the above budget policy, but also maintains a tiered purchasing policy. For any product purchase below \$500, the department head has complete authority for purchasing. For any purchase \$501 - \$1,000, the Finance Director and Department Head review and authorize the purchase. For any purchase over \$1,000, the Administrator, Finance Director, and Department Head all need to review and approve the purchase. These approval levels are integrated into the computerized purchase order system that the Town of Menasha maintains through its accounting software. Additionally, before most checks are issued, the Town of Menasha Board of Supervisors or the authorized commission has to approve the check issue. There are a few exceptions, which are listed in our finance policy, such as debt service payments and payroll; however, these exceptions are still submitted to the Town Board to review for their approval.

Long-term Planning

Within the Capital Projects Fund budget, the Town approves a five-year improvement program. This program includes roads, trails, park, water, sewer, and stormwater infrastructure. Additionally, with forward thinking, in 2002, the Town of Menasha created an equipment replacement fund for large expenditures, such as vehicles. This account is funded annually to have a consistent budget without fluctuations due to equipment purchases. Prior to 2004, these monies were part of the assigned fund balance in the general fund. In 2004, these monies were moved into their own capital projects fund called the Equipment Replacement Fund. The intention of this fund is to alleviate the need to borrow for the replacement of current equipment and vehicles, by using cash-on-hand. This will save the Town money by eliminating the need to

borrow and incur debt interest costs, along with the ability to have interest earnings on these funds. Each year the Town of Menasha Board of Supervisors allocates monies to fund this program. As of December 31, 2013 there was \$2,641,424 in the equipment replacement fund.

In May 2008, a Sustainability Committee was formed by the Town Board. This committee has been charged with exploring sustainability in all aspects of Town functions, both internal and external. The goal is to create a healthier and more economically efficient place to live. For the last five years, this committee has undertaken many projects, including holding biannual electronics recycling events here at the Town in the spring and fall, creating community gardens at Schildt Park, and holding farmer's markets in conjunction with the Park and Recreation Department's Entertainment in the Parks. At the community garden, there were originally eight garden plots and a teaching garden; there are now 23 plots, all of which are rented, and two teaching gardens. The purpose of the community and teaching gardens is to promote and educate residents about sustainable local, organic food production. These efforts will be continued in 2014 to further the Committee's goal of promoting sustainable food production and healthy living. Also, in 2014, the Committee is undertaking a project to study the Town's purchasing habits and make recommendations for more environmentally sound purchasing.

Enterprise Operations

The Town's enterprise operations are comprised of three separate and distinct activities: Water Utility, Sewer Utility, and Stormwater Utility. The Stormwater Utility encompasses the entire Town of Menasha; however, it does not extend past our borders like the Water and Sewer Utility District does. The Water and Sewer Utility District borders include some customers from the cities of Appleton, Menasha, and Neenah, and the towns of Neenah and Harrison.

Water Utility

The Water Utility adheres to regulations from the Wisconsin Public Service Commission (PSC). Since the Town is divided by Little Lake Butte des Morts, there are two separate systems. The east side of the Water Utility uses approximately an equal combination of well water and surface water. Currently, the surface water is purchased from the City of Menasha Utility, which pumps the water from Lake Winnebago. In 2013, the Utility purchased 16.8% of total pumped water from the City of Menasha compared to 16.6% in 2012. The west side of the Water Utility's water comes from three deep wells. The Water Utility maintains three 300,000 gallon water towers, and over 130 miles of water mains. In 2013, the Town had 690 million gallons of water sold, compared to 755 million in 2012, 754 million in 2011, 718 million in 2010, 782 million in 2009 and 762 million in 2008.

The PSC approved the new water rates effective March 1, 2012; therefore, a full year of increased water revenues was realized in 2013.

Sewer Utility

Due to the two utility systems on each side of the lake, the collection of wastewater flows to two treatment facilities. The Town of Menasha does not own or operate either of these facilities; however, the Town of Menasha Utility Commission appoints Utility Commissioners to serve on the boards of the sewerage commissions. The Sewer Utility maintains and operates eight lift stations and over 120 miles of sewer mains.

The Town of Menasha has been in the process of increasing sewer rates since 2009. In 2008, the Town of Menasha was notified that our west-side sewerage treatment facility needed a capacity expansion, along with new technology to meet the required Wisconsin Department of Natural Resources mandates, which would cost the treatment plant \$40 million. The Town of Menasha's share of the final cost was \$5.7 million. In addition to the west-side facility, in 2011, the Town was notified that the east-side treatment facility planned to update its treatment plant. The debt for this project closed in February 2013 with a \$3.3 million cost to the Town of Menasha.

Since 2009, the Town of Menasha Sewer Utility has slowly increased sewer rates by offsetting costs with cash-on-hand which was available above our working capital needs. Every year for the past several years, the Commission has increased sewer rates to have a progressive increase for the increased cost in the treatment plant's debt service. The Commission continued their plan to increase rates with a 6.5% rate increase effective January 1, 2013.

Stormwater Utility

On August 3, 2009, the Town of Menasha Board of Supervisors approved the formation of the Town of Menasha Stormwater Utility. The utility was formed to create a funding source for the unfunded federal and state stormwater mandates. The Wisconsin Department of Natural Resources has imposed strict particulate reduction guidelines, which require the construction of several stormwater detention ponds. Additionally, the Wisconsin Legislature has imposed levy limits on municipalities. To meet the required mandates and to stay within our levy limits, the Town of Menasha was forced to create a stormwater utility to fund the costs associated with stormwater management. Even though the Town of Menasha formed this utility in 2009; the charges to the property owners did not begin until January 1, 2010. Due to the delay in revenue collection, the Town of Menasha General Fund has advanced the Stormwater Utility for its 2009 operating costs. Additionally in 2009, the governmental fund transferred the associated storm assets and debt liability to this proprietary fund. The debt payments previously paid on the outstanding debt issues for stormwater associated assets are required to be repaid to the general fund over the next several years, along with the advance for stormwater utility operations.

Debt Administration

The Town of Menasha was last rated by Moody's Investors Service in 2013. At that time, the Town maintained its 'Aa2' rating from Moody's Investors Service on general obligation debt, and its 'A1' on water and sewer revenue bonds.

Under Wisconsin statutes, general obligation debt is subject to a legal limitation based on 5% of total equalized value to real and personal property. As of December 31, 2013, the Town's general obligation debt of \$20,117,955 was well below the legal limit of \$69,713,765 (28.86%), and debt per capita equaled \$1,083. The Town adheres to an aggressive debt repayment policy: ten years for general obligation debt and twenty years for most utility debt, which can include revenue bonds or general obligation notes. The Town of Menasha has never defaulted on any debt payments.

The debt service fund balance comes from the Town of Menasha's special assessment policy, which is to finance the amount due from a resident over a ten year period, and to use these monies over the life of the debt to offset the liability. However, if a resident pays their special assessment liability prior to the end of the assessment period, these monies accumulate in the

debt service fund balance. Therefore each year, the Town uses these prepayments of special assessments to offset the debt payment, over the 10 year period, as though the prepayment never occurred.

Starting in 2010, the Town of Menasha Utility Commission chose to use depreciation funds to offset the utility main replacements to eliminate the need for additional borrowing in the water and sewer utility. This same methodology has continued into our 2014 budget for water and sewer main replacements.

Independent Audit

State Statutes require an audit by independent certified public accountants. The Town selected the accounting firm of Baker Tilly Virchow Krause, LLP. The independent auditors' report is included in the Financial Section of this report. The independent auditors' report is on the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Menasha.

Acknowledgments

The CAFR is a major financial achievement for the Town of Menasha. The Town of Menasha was the first town in the State of Wisconsin to complete a CAFR. The time consuming preparation of this document on a timely basis was made possible by the efficient and dedicated services of the entire staff of the Town's Finance Department, our auditors, Baker Tilly Virchow Krause, LLP, and various other Town personnel. I would like to express my sincere appreciation to all who assisted and contributed to its preparation.

The Town of Menasha is very proud of our staff and the continued dedication to our cost saving goals. As you can see by our general fund budget to actual comparison and our general fund balance increase, the Town of Menasha realized significant savings while facing an extremely challenging year. These significant expenditure savings were due to substantial general fund operational savings, especially since the 2013 budget anticipated using fund balance to offset various one-time purchases. Due to the expenditure savings, the general fund balance was not needed to offset the 2013 expenditures, and in fact still incurred an increase to the general fund balance. In closing, we would like to thank the Town for their leadership and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Sincerely,



Jeffrey Sturgell
Town Administrator



Myra R. Piergrossi, CPA, CMTW
Finance Director

**TOWN OF MENASHA
DIRECTORY OF OFFICIALS
At December 31, 2013**

TOWN CHAIRPERSON

Dale Youngquist

TOWN BOARD OF SUPERVISORS

Supervisor 1: Michael Van Dyke
Supervisor 2: Barbara Hanson
Supervisor 3: Gregory Ziegler
Supervisor 4: Nicholas Gebert

OFFICERS

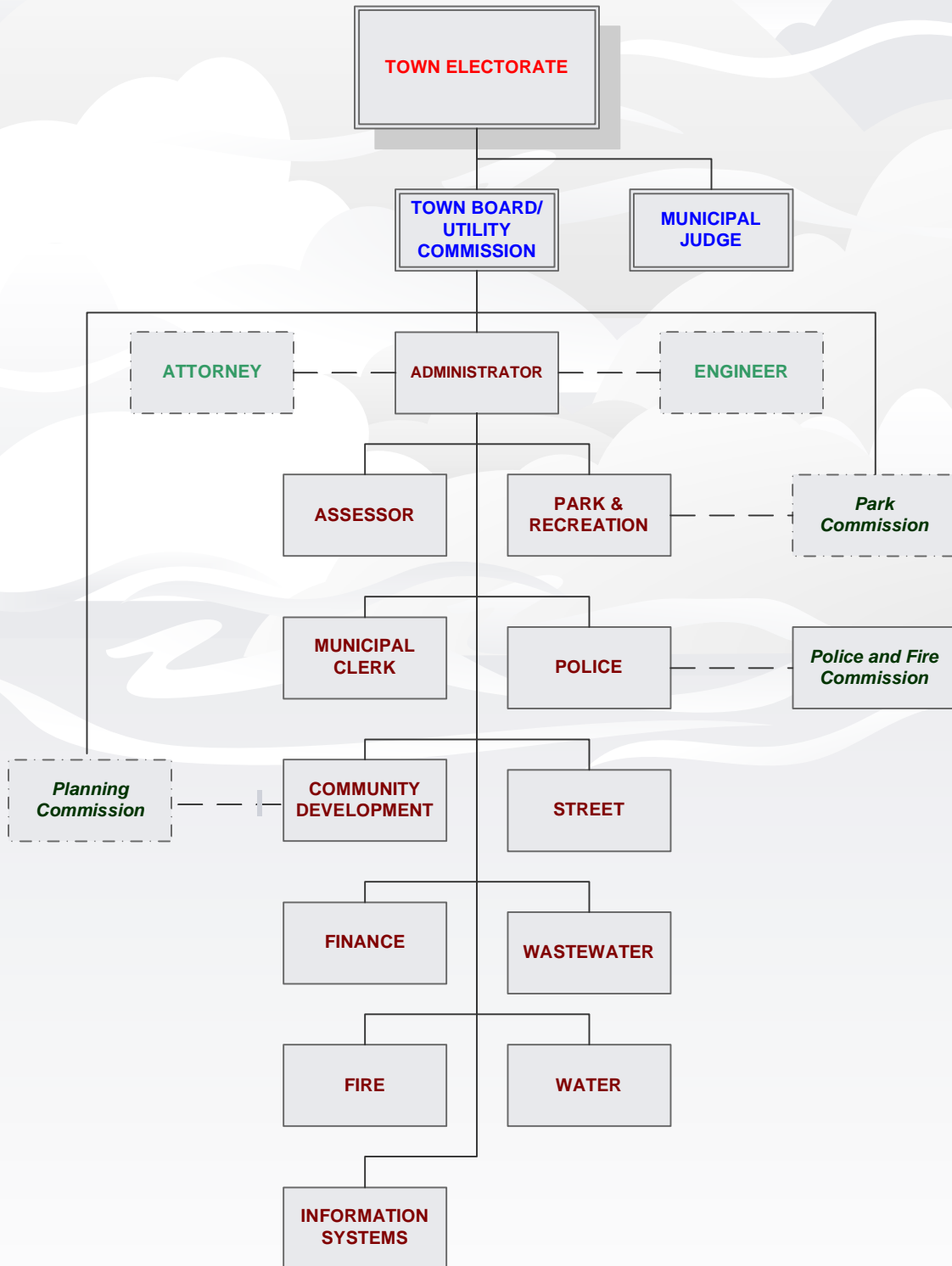
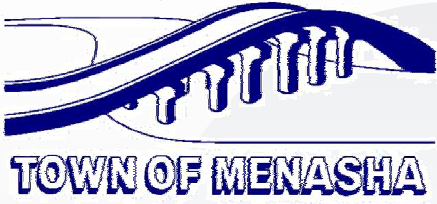
| | |
|-----------------------------------|------------------|
| Town Administrator | Jeffrey Sturgell |
| Town Clerk | Karen Backman |
| Director of Finance | Myra Piergrossi |
| Assessor | Lucas Telfer |
| Director of Community Development | George Dearborn |
| Fire Chief | Keith Kiesow |
| Network Administrator | Tim Plagenz |
| Director of Parks and Recreation | Michael Kading |
| Police Chief | Rodney McCants |
| Street Superintendent | Randy Gallow |
| Water Superintendent | Jeffrey Roth |
| Wastewater Superintendent | Steve Laabs |

PLANNING COMMISSION

| | |
|--------------|----------------|
| Chair | Dennis Jochman |
| Vice Chair | Kris Koeppel |
| Commissioner | Aaron Sabel |
| Commissioner | Thomas Young |
| Commissioner | Mark Englebert |
| Commissioner | Tracy Romzek |
| Commissioner | Maury Cox |

PARK COMMISSION

| | |
|--------------|-------------------|
| Chair | Jim Wise |
| Commissioner | Clarence Peterson |
| Commissioner | Paul Vandenberg |
| Commissioner | Michael Lynch |
| Commissioner | Steven Otto |
| Commissioner | Randall Meyer |
| Commissioner | Debbie Swiertz |



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Town Board
Town of Menasha
Menasha, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Menasha, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town of Menasha'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 Town of Menasha'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 Town of Menasha's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Town Board
Town of Menasha

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

To the Town Board
Town of Menasha

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Menasha'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
April 4, 2014

TOWN OF MENASHA, WISCONSIN

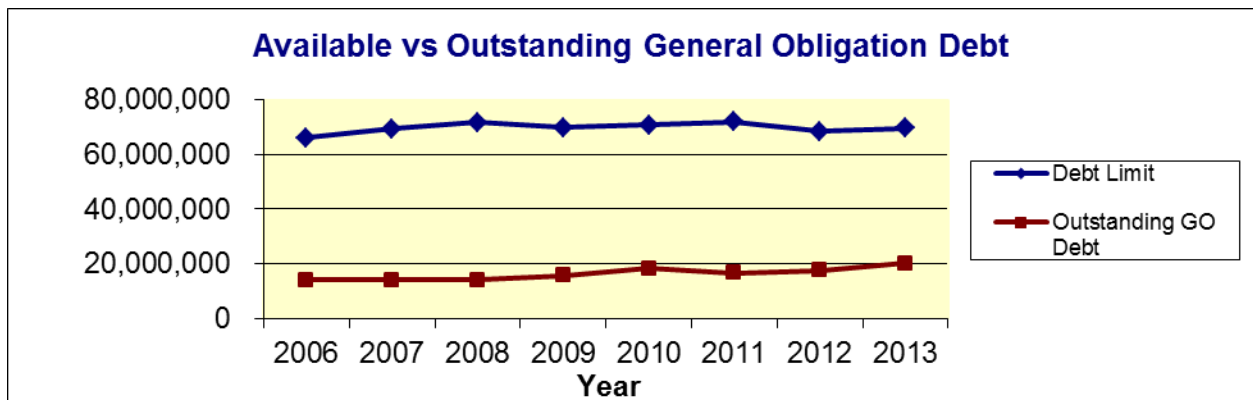
MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED

As of and For Year Ended December 31, 2013

As management of the Town of Menasha, Wisconsin, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town as of and for the year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the Town's financial statements. The Town implemented Governmental Accounting Standards Board Statement 34 (GASB 34)—*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* in 2003.

FINANCIAL HIGHLIGHTS

- The Town of Menasha Utility District is required to maintain earnings which are greater than 1.25 times the annual debt service of the revenue bonds. The Town of Menasha is very diligent with maintaining debt coverage. In 2013 the coverage requirement was \$1,972,046 and the utility generated \$1,476,243 above the requirement. In 2012, the coverage requirement was \$1,966,473 and the utility generated \$1,406,750 above the requirement.
- Since 2009, the Town of Menasha Utility District has been dealing with increased sewer treatment costs due to the Grand Chute Menasha West (GCMW) plant update and expansion. In 2012, the Neenah Menasha Sewerage Commission (NMSC) also started plant upgrades that would affect the Town's treatment cost expense. The Utility District has been offsetting a portion of the increased operations costs with cash-on-hand to allow for a slower increase of sewer rates to alleviate the full impact on the Town's customers. The final sewer rate increase for the increase in treatment plant expenses for both plants was January 1, 2013.



TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL HIGHLIGHTS (cont.)

- The Town of Menasha's debt capacity is \$69,713,765, which is 5% of the Town's equalized value of taxable property. The total outstanding general obligation debt at year end was \$20,117,955, or 29% of the possible debt capacity, and is only 1.44% of the Town's equalized value. The Town's debt equates to approximately \$1,000 per capita. In 2012, the general obligation debt was at \$17,669,584. The general obligation debt increase is mainly due to the Neenah-Menasha Sewerage Commission debt for upgrading the regional treatment facility, for which the Town of Menasha was responsible for \$3.3 million dollars.
- Over the past couple of years, the Town of Menasha has changed its fundamental debt philosophy. Due to the Town of Menasha's goal to decrease the overall debt levels, the Town decided not to borrow for new water and sewer utility capital projects in 2012 or 2013, and will continue to use depreciation funds to invest in main replacements in 2014.
- In October 2013, the Town of Menasha issued General Obligation Promissory Notes in the amount of \$3,585,000. \$1,650,000 of these funds were for 2013 Town road and park projects. \$1,935,000 of these funds were to advance refund the 2006 GO Promissory Notes. With this refunding, the Town saved \$53,178 in present value savings over the remaining life of the debt.
- On August 3, 2009, the Town of Menasha created the Stormwater Utility to meet the unfunded state and federal mandates for stormwater particulate reduction. The Town of Menasha began billing property owners for this new charge on January 1, 2010. Since the charges to property owners did not start until 2010, but expenses were incurred prior to that date, the general fund advanced funds to the stormwater utility for operations and prior debt payments for stormwater projects. As of December 31, 2013, the balance of the General Fund monies advanced to the Stormwater Utility totals \$361,432. The Stormwater Utility is shown as a proprietary fund in the 2013 financial statements.
- Due to a combination of solid financial planning and adherence to the comprehensive plan, the Town is able to promote quality services with low tax rates. The Town of Menasha maintains a proactive approach to growth, planning and development, which results in an increase in tax base and diversity of business types. Additionally, the Town of Menasha has created an equipment replacement fund. This fund enables the Town to have a consistent tax levy and to purchase capital equipment as needed. Therefore, the Town only needs to borrow for large-scale projects, such as road reconstructions. This saves the Town money in interest expense, plus provides increased revenue due to interest earnings.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL HIGHLIGHTS (cont.)

- The total assets of the Town of Menasha exceeded its liabilities at the close of the most current fiscal year by \$112.6 million, which is an increase of 3%. Of this amount, \$17.5 million may be used to meet the government's obligations to citizens and creditors.
 - As of the close of the current fiscal year, the Town of Menasha's governmental funds reported combined ending fund balances of \$10,889,978, an increase of \$105,175 in comparison with the prior year. The main increase occurred in the equipment replacement fund. In this fund, monies are saved to purchase large equipment in the future. This ensures a consistent annual budget allocation and cost savings, since the Town would not need to borrow for the equipment replacement. Approximately 20% of the combined fund balance, \$2,117,772, is unassigned and available for use within the Town's designations and policies. The remaining total governmental fund balance of \$8,772,206 is considered nonspendable, restricted, committed or assigned. This would include items such as future budget project allocations, accrued sick and vacation appropriations, and future allocated projects.
 - At the close of the current fiscal year, unassigned fund balance was \$2,117,772 for the general fund. This is approximately 23% of the 2013 total general fund expenditures and other financing uses. If compared to \$2,158,018 in 2012, this is only a \$40,246 decrease. Since the Town budgeted to use \$483,680 in fund balance in 2013, this is very remarkable. The unassigned fund balance level directly links to the Town of Menasha Town Board and management staff's continual fiscal responsibility to the residents while managing operations.
-

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

Government-Wide Statements (cont.)

The *Statement of Net Position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the overall health of the Town, you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of the Town's infrastructure.

The *Statement of Activities* presents information showing how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned, but unused compensated absences).

Both of these government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government; public safety; public works; leisure activities; and conservation and development. The business-type activities of the Town of Menasha include the water, sewer, and stormwater utilities.

The government-wide financial statements can be found on pages 1 to 3 of this report.

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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major governmental funds, which include the General Fund, Debt Service Fund, Capital Projects Fund and Equipment Replacement Fund. Data from the non-major governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 4 to 5 of this report.

Proprietary Funds – Enterprise funds, the only type of proprietary fund the Town maintains, are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water, Sewer, and Stormwater Utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Stormwater Utilities since they are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 7 to 11 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 12 of this report.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 to 51 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, *Required Supplementary Information* presents detailed budgetary comparison schedules for the General Fund to demonstrate compliance with the budget. These schedules can be found on pages 52 to 55 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining financial statements and other supplemental information can be found on pages 57 to 72 of this report.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

An analysis of the Town's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Balance. These two statements report the Town's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Menasha, assets exceeded liabilities by \$112,630,790 as of December 31, 2013.

The largest portion of the Town's net position, 81%, reflects its net investment in capital assets and construction in progress (e.g., land, buildings, equipment, improvements, and infrastructure), less any debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, 3.21%, represents resources that are subject to external restrictions on how the funds may be used. The 22.70% decrease from 2012 in restricted net position reflects the Town of Menasha fundamental debt philosophy change. The decrease is due to the use of funded depreciation, instead of borrowing for capital assets.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (cont.)

Statement of Net Position
(in millions of dollars)

| | Governmental | | Business-type | | Totals | | Total |
|---|--------------|--------------|---------------|--------------|---------------|---------------|------------------|
| | Activities | | Activities | | | | Percentage |
| | <u>2012</u> | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012-2013</u> |
| Current and Other Assets | 20.99 | 21.26 | 19.21 | 22.52 | 40.20 | 43.78 | 8.91% |
| Capital Assets | 57.58 | 58.10 | 61.37 | 62.07 | 118.95 | 120.17 | 1.03% |
| Deferred Outflows* | 0.00 | 0.00 | 0.01 | 0.01 | 0.01 | 0.01 | 0.00% |
| Total Assets and Deferred Outflows | <u>78.57</u> | <u>79.36</u> | <u>80.59</u> | <u>84.60</u> | <u>159.16</u> | <u>163.96</u> | <u>3.02%</u> |
| Current Liabilities | 1.06 | 1.33 | 0.77 | 0.93 | 1.83 | 2.26 | 23.50% |
| Non-Current Liabilities | 11.40 | 11.27 | 27.71 | 29.08 | 39.11 | 40.35 | 3.17% |
| Deferred Inflows* | 8.70 | 8.72 | 0.00 | 0.00 | 8.70 | 8.72 | 0.23% |
| Total Liabilities and Deferred Inflows | <u>21.16</u> | <u>21.32</u> | <u>28.48</u> | <u>30.01</u> | <u>49.64</u> | <u>51.33</u> | <u>3.40%</u> |
| Net Investment in | | | | | | | |
| Capital Assets | 47.07 | 47.72 | 41.64 | 43.84 | 88.71 | 91.56 | 3.21% |
| Restricted | 0.53 | 0.45 | 4.14 | 3.16 | 4.67 | 3.61 | (22.70%) |
| Unrestricted | 9.81 | 9.87 | 6.32 | 7.59 | 16.13 | 17.46 | 8.25% |
| Total Net Position | <u>57.41</u> | <u>58.04</u> | <u>52.10</u> | <u>54.59</u> | <u>109.51</u> | <u>112.63</u> | <u>2.85%</u> |

(Totals may vary due to rounding.)

*Adjusted for the implementation of GASB Statement No. 65.

The remaining balance of unrestricted net position, \$17,459,588, may be used to meet the government's ongoing obligation to its citizens and creditors.

Analysis of the Town's Operations—The following table provides a summary of the Town's operations for the year ended December 31, 2013. Governmental activities increased the Town of Menasha's net position by approximately \$630,000. Business-type activities increased the Town's net position by approximately \$2.7 million. On the 2012 financial statements, there was a total increase of approximately \$3.0 million in net position from 2011. This represented a \$0.7 million increase in governmental net position and \$2.3 million increase in business-type activities.

For both governmental and business-type activities, interest revenue continued on a downward trend. Most of the Town of Menasha's higher investment rates in the investment portfolio have matured or been called. The 2013 results were \$140,854 or a 42% decrease from 2012.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (cont.)

A combined 138.30% increase incurred for both activity types for program revenue, capital grants and contributions. The increase resulted from the business-type activities, which is mainly due to storm water grants received for capital projects. In 2012 for comparison purposes, both governmental and business-type activities, incurred a 31% decrease in interest earnings from 2011, along with a 20.51% increase in program revenue, capital grants and contributions.

Overall revenues increased 0.97% and overall expenses remained the same as 2012, resulting in a combined 2.84% increase to net position.

In regard to the governmental activities, which are shown in the below table and pie chart, the largest expense, for 2013, is public safety. The program is 39% or \$4,506,270 of the total expenses, and includes police, fire, building inspections, and emergency government. The second largest expense is public works at \$3,642,092 or 32%. This category includes street and trail construction/maintenance, engineering, street lighting, garbage collection, and transportation services. Over the last several years, the Town has specifically increased this category to include additional reconstruction miles of road in the Town each year and to ensure the Town maintains excellent road conditions within its borders. In 2012, these two categories were also the top expense categories for the Town of Menasha. The public safety program expenses increased in 2013 by \$123,110 and the public works program decreased by \$13,228.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (cont.)

Statement of Revenues, Expenses and Changes in Net Position (in millions of dollars)

| | Governmental Activities | | Business-type Activities | | Totals | | Total Percentage Change |
|--------------------------------------|----------------------------|--------------|-----------------------------|--------------|---------------|---------------|-------------------------------|
| | <u>2012</u> | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012-2013</u> |
| Revenues: | | | | | | | |
| <u>Program Revenues:</u> | | | | | | | |
| Charges for services | 1.57 | 1.56 | 10.41 | 10.14 | 11.98 | 11.70 | (2.34%) |
| Operating grants and contributions | 0.95 | 0.93 | 0.07 | 0.10 | 1.02 | 1.03 | 0.98% |
| Capital grants and contributions | 0.21 | 0.13 | 0.26 | 0.99 | 0.47 | 1.12 | 138.30% |
| <u>General Revenues:</u> | | | | | | | |
| Property taxes | 7.80 | 7.79 | | | 7.80 | 7.79 | (0.13%) |
| Other taxes | 0.06 | 0.06 | | | 0.06 | 0.06 | 0.00% |
| Intergovernmental | 0.59 | 0.60 | | | 0.59 | 0.60 | 1.69% |
| Investment income | 0.12 | 0.10 | 0.12 | 0.04 | 0.24 | 0.14 | (41.67%) |
| Other | 0.34 | 0.36 | 0.10 | 0.02 | 0.44 | 0.38 | (13.64%) |
| Total Revenues | <u>11.64</u> | <u>11.53</u> | <u>10.96</u> | <u>11.29</u> | <u>22.60</u> | <u>22.82</u> | <u>0.97%</u> |
| Expenses: | | | | | | | |
| General government | 1.80 | 1.60 | | | 1.80 | 1.60 | (11.11%) |
| Public safety | 4.38 | 4.51 | | | 4.38 | 4.51 | 2.97% |
| Public works | 3.65 | 3.64 | | | 3.65 | 3.64 | (0.27%) |
| Leisure activities | 0.87 | 1.17 | | | 0.87 | 1.17 | 34.48% |
| Conservation and development | 0.13 | 0.13 | | | 0.13 | 0.13 | 0.00% |
| Interest and fiscal charges | 0.40 | 0.46 | | | 0.40 | 0.46 | 15.00% |
| Water utility | | | 4.38 | 3.91 | 4.38 | 3.91 | (10.73%) |
| Sewer utility | | | 3.05 | 3.17 | 3.05 | 3.17 | 3.93% |
| Stormwater utility | | | 0.88 | 0.95 | 0.88 | 0.95 | 7.95% |
| Total Expenses | <u>11.23</u> | <u>11.51</u> | <u>8.31</u> | <u>8.03</u> | <u>19.54</u> | <u>19.54</u> | <u>0.00%</u> |
| Net Income before Transfers | 0.41 | 0.02 | 2.65 | 3.26 | 3.06 | 3.28 | 7.19% |
| Transfers | 0.29 | 0.61 | (0.29) | (0.61) | 0.00 | 0.00 | 0.00% |
| Change in Net Position | 0.70 | 0.63 | 2.36 | 2.65 | 3.06 | 3.28 | 7.19% |
| Beginning Net Position (as restated) | <u>56.71</u> | <u>57.41</u> | <u>49.75</u> | <u>51.94</u> | <u>106.70</u> | <u>109.35</u> | <u>2.71%</u> |
| Ending Net Position | <u>57.41</u> | <u>58.04</u> | <u>52.11</u> | <u>54.59</u> | <u>109.76</u> | <u>112.63</u> | <u>2.84%</u> |

(Totals may vary due to rounding.)

TOWN OF MENASHA, WISCONSIN

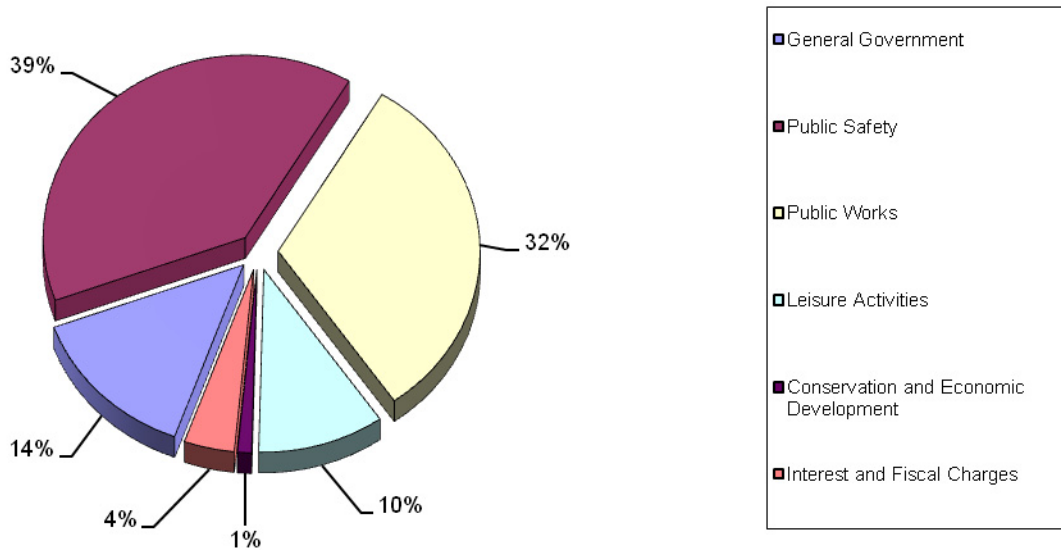
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

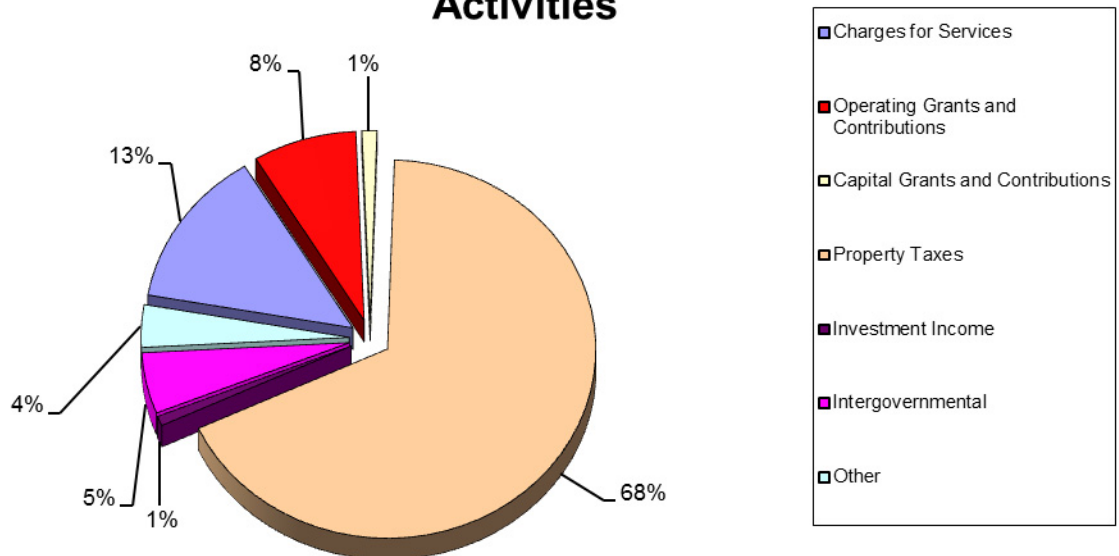
As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (cont.)

2013 Expenses by Activity - Governmental Activities



2013 Revenue by Source - Governmental Activities



TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The focus of the Town of Menasha's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the Town of Menasha's governmental funds reported combined ending fund balances of \$10,889,978, an increase of \$105,175 in comparison with the prior year. The increases occurred in the capital projects fund, due to borrowing funds in 2013, but not completing all the projects in 2013, along with an increase fund balance in the equipment replacement fund. Approximately 20% of the combined fund balance, \$2,117,772, is unassigned and available for use within the Town's designations and policies. This unassigned fund balance is approximately 23% of the total general fund expenditures and other financing uses. If compared to 2012, this is a \$40,246 increase. The remaining total governmental fund balance of \$8,772,206 is considered nonspendable, restricted, committed or assigned.

Nonspendable fund balance includes: 1) delinquent personal property taxes (\$4,367), 2) prepaid insurance (\$63,949), and 3) advances to Stormwater Utility (\$361,432). Restricted fund balance includes funds that are limited in use by external limitations. As of December 31, 2013, the restricted fund balance totaled \$767,988. Committed fund balance is for self-imposed limitations, which have been set in place by the Town of Menasha Board of Supervisors. At year-end the committed fund balance was \$1,916,422, for a stabilization fund. This fund shall not be used except in the following circumstances: externally imposed reductions in revenue, including dramatic changes in economic or financial conditions of the town, unforeseen external factors such as a natural disaster, which impacts the current year budget by over \$100,000 and where the general fund's unassigned fund balance is a deficit at the end of a calendar year. The stabilization fund is set at 20% of the next year's budget.

Assigned fund balance is the Town Board designations resulting from intended use, which includes items such as payment in lieu of taxes (\$531,191), debt retirement (\$719,998), capital projects (\$679,277), and capital equipment replacement (\$2,641,424). Additionally, the Town has assigned a portion of its fund balance for accrued sick and vacation leave. With the knowledge that employees leaving the organization can create a large financial impact to the Town when they terminate employment, the Town has an assigned fund balance specifically for accrued benefits (\$675,379). Additionally, a town-wide property assessment revaluation is needed approximately every ten years. The cost of the Town of Menasha's last revaluation was \$179,500. Due to this large expenditure, the Town of Menasha Town Board, with forward thinking, for the past eight years has budgeted \$8,000 per year to start saving for the cost of a future revaluation. As of December 31, 2013, there is \$72,000 assigned for this purpose. Another item in the assigned fund balance is an allocation of funds for specific purchases (\$338,779).

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Governmental Funds (cont.)

These items were budgeted in 2013; however, for various reasons the items were not purchased, but will be purchased in 2014.

General Fund

This fund is the main governmental fund; whereas, all operational activities occur here. Of the \$21,647,304 in total governmental assets, the general fund controls 62% or \$13,430,349. Additionally, this fund generated \$8,332,426 in revenues and expended \$8,601,059, compared to \$8,330,679 and \$7,934,167 respectively in 2012.

The General Fund expenditures and other financing uses were significantly less than budgeted, by \$480,319. Of this savings, \$77,729 of these funds were for items that were not purchased in 2013, but have been reallocated for purchase in 2014. Additionally, \$261,050 of these funds has been assigned for 2014 capital assets and one-time equipment purchases.

These significant expenditure savings were due to substantial general fund operational savings, especially since the 2013 budget anticipated using fund balance to offset various one-time purchases. Due to the expenditure savings, the general fund balance was not needed to offset the 2013 expenditures, and in fact still incurred an increase to the general fund balance. The Town of Menasha is very proud of the Town's dedicated work force, who managed to accomplish this amazing fund balance increase. The Town of Menasha Town Board and management staff continue to be fiscally responsible to the residents while managing operations.

The detailed schedule of revenues compared to budget and the detailed schedule of expenditures compared to budget can be found on pages 52 to 55 of this report.

Debt Service Fund

This fund pays the debt for all governmental funds. The debt service fund balance comes from the Town of Menasha's special assessment policy, which is to finance the amount due from a resident over a ten year period, and to use these monies over the life of the debt to offset the liability. However, if a resident pays their special assessment liability prior to the end of the assessment period, these monies accumulate in the debt service fund balance. Therefore each year, the Town uses these prepayments of special assessments to offset the debt payment, over the 10 year period, as though the prepayment never occurred. The debt service fund balance decreased \$137,225 to \$868,540. The debt service assets available for future debt service payments decreased \$226,763 to \$3,212,471 and the liabilities and deferred inflows decreased \$89,538 to \$2,343,931.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Governmental Funds (cont.)

Debt Service Fund (cont.)

In October 2013, the Town of Menasha issued General Obligation Promissory Notes in the amount of \$3,585,000. \$1,650,000 of these funds were for 2013 Town road and park projects in the Capital Projects Fund. However, \$1,935,000 of these funds were to advance refund the 2006 GO Promissory Notes, which resulted in a budget to actual variance of \$1,935,311 in the debt service fund.

Capital Projects Fund

All government borrowed funds for capital purchases are receipted and expended in this fund. In 2013, the fund balance was \$846,538, which is an increase of \$98,973 from 2012; however, it is all restricted or assigned for future capital projects. The reason for this restricted fund balance is the same reason for the significant variance from the budget to actual expenditures. The Town Board budgeted for road reconstruction and park upgrades in the Capital Project Fund, along with a storm sewer expansion in the Stormwater Utility; however, a few of the projects were unable to be completed prior to year-end. Additionally in the past, various projects have come in under projections for a savings from the budget and sometimes borrowed funds. Assigned fund balance from prior capital project savings or grant reimbursements will be reallocated to future project costs. For specific project information that occurred in the current year, please see the Capital Asset section of this report.

Equipment Replacement Fund

Over ten years ago, the Town of Menasha created an equipment replacement fund for large expenditures, such as vehicles. This account is funded annually to have a consistent budget without fluctuations due to equipment purchases. The intention of this fund is to alleviate the need to borrow for the replacement of current equipment and vehicles, by using cash-on-hand. This will save the Town money by eliminating the need to borrow and incur debt interest costs, along with the ability to have interest earnings on these funds. Each year the Town of Menasha Board of Supervisors allocates monies to fund this program. In 2013, this fund had a fund balance of \$2,641,424 or 24% of the total governmental fund balance. This compares to \$2,480,154 or 23.00% in 2012, \$2,138,488 or 19.74% in 2011 and \$1,642,955 or 14.91% in 2010. This fund will ensure money availability for over \$10 million in replacement value for future purchases of capital vehicles and equipment.

Garbage Collection and Recycling Special Revenue Fund

The Garbage Collection and Recycling Special Revenue Fund is the largest part of the Non-major Governmental Funds. The Town of Menasha provides for garbage and recycling collection for its residential customers. The main collection service is provided through a contract with a local vendor; however, the Town provides curbside brush collection and

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Governmental Funds (cont.)

Garbage Collection and Recycling Special Revenue Fund (cont.)

customer service for handling problems. The Town of Menasha charges an annual fee on all residential real estate tax bills, based on the number of units serviced on each parcel.

In 2009, the garbage and recycling collection service was transferred from a manual collection process to an automated collection system. With this transfer, the Town of Menasha purchased automated garbage and recycling carts for its residents, and handles the necessary exchanges and distribution of these carts. This results in a transfer of funds to the Debt Service Fund to pay for the annual debt costs for these carts. The fourth debt service payment occurred in 2013.

The Town had a positive revenue variance from budget in the amount of \$25,352 and expenditures were over budget in the amount of \$28,015. Additionally, \$101,321 of fund balance was budgeted to offset the 2013 budget. Overall, this resulted in a fund balance decrease of \$103,984 to this fund.

Proprietary Funds

The Town of Menasha's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Town of Menasha has three proprietary funds: water, sewer, and stormwater utilities. The water and sewer utilities are overseen by the Town of Menasha Utility District Commission. The stormwater utility is overseen by the Town of Menasha Stormwater Utility Commission.

The Stormwater Utility encompasses the entire Town of Menasha; however it does not extend past the Town of Menasha's borders like the Utility District does. The Utility District borders include some customers from the cities of Appleton, Menasha, and Neenah, and the towns of Neenah and Harrison. Additionally, since the Town of Menasha Utility District encompasses an area that is on both sides of Little Lake Butte des Morts, it has two separate water and sewer systems.

The Town of Menasha is very serious about maintaining debt coverage requirements. The Utility District is required to maintain earnings which are greater than 1.25 times the annual debt service of the revenue bonds. In 2013 the coverage requirement was \$1,972,046 and the utility generated \$1,476,243 above the requirement, with a 2.19 times debt coverage. In 2012, the coverage requirement was \$1,966,473 and the utility generated \$1,406,750 above the requirement, with a 2.14 times debt coverage. Over the past couple of years, the Utility District has increased rates and has not increased revenue bond debt, which has benefited our debt coverage.

TOWN OF MENASHA, WISCONSIN

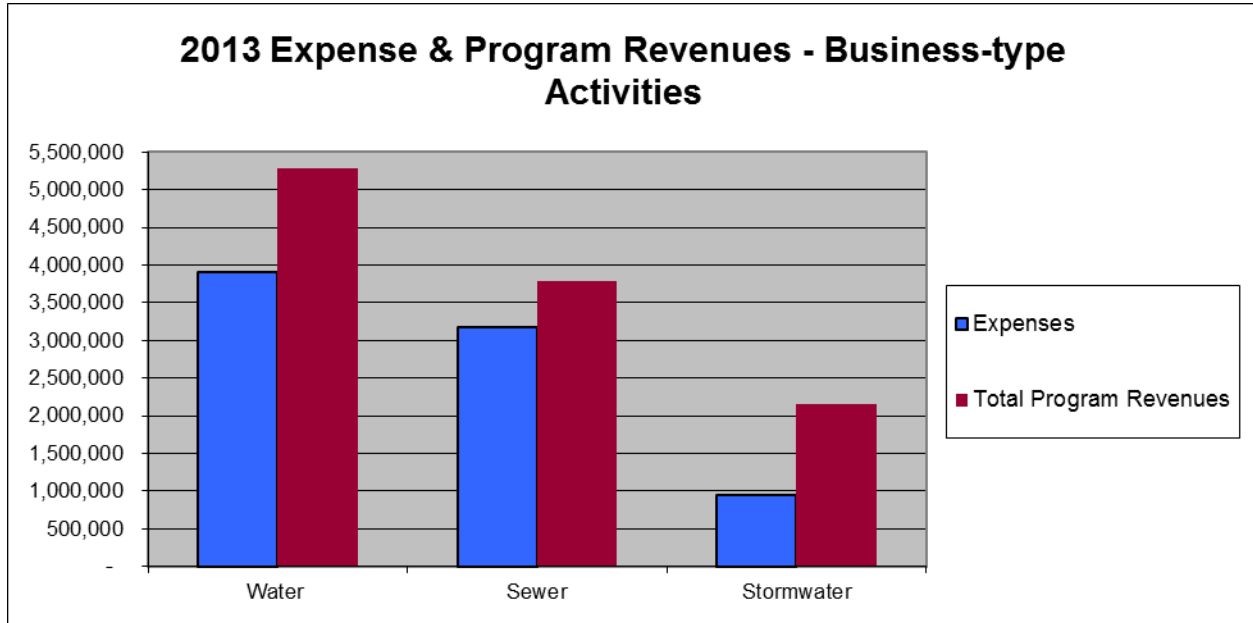
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Proprietary Funds (cont.)



Water Utility

In 2013, developers did not contribute any of the water utility infrastructure to accommodate the growth that occurred in the Town of Menasha Utility District. This is compared to \$4,287 in 2012, \$152,787 in 2011, \$106,157 in 2010, and \$2,827 in 2009. Infrastructure contributions had a significant decrease in 2012 and 2013. This is due to the slowdown in the real estate market and more difficult lending requirements; however, in 2011 the Town of Menasha Utility District recognized two developer projects inside the Town of Menasha Utility District's borders.

In 2013, the Town had 690 million gallons of water sold as compared to 755 million in 2012, 754 million in 2011, 718 million in 2010, 782 million in 2009 and 762 million in 2008. The Town of Menasha Water Utility increased water rates in March 2012 with the Wisconsin Public Service Commission; therefore, 2013 shows a full year of the rate increase in the 2013 revenues. However, due to a very wet summer less consumption occurred, which resulted in a metered service revenue decrease of \$130,352 from 2012. Overall, the water operating revenue was more than operating expenses by \$1,654,572, and net position increased by \$859,168.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Proprietary Funds (cont.)

Water Utility (cont.)

Since 1998, the Town of Menasha Utility District has been very aggressive with water main replacements. This is due to the number of water main breaks that occur in the utility. In 2003, the Water Utility hit an all time high in the number of water main breaks, 127; however, due to the aggressive main replacements, the number decreased to 55 in 2009, 24 in 2010, 44 in 2011, 42 in 2012, and 44 in 2013. The associated overtime hours for water breaks has also decreased from 1,290 hours in 2003 to 432 hours in 2013. We estimate that a water main break costs the Town approximately \$3,200 per break; therefore by investing in infrastructure, the Water Utility is decreasing annual operating costs, along with improved water service reliability for the Town's customers.

In 2013, the Water Utility replaced approximately 1.1 miles of ductile iron water main, compared to 0.6 miles in 2012, 0.5 miles in 2011. This has been a decrease from the very aggressive replacement plan in years 2005 through 2010, where the Water Utility annually averaged 2.5 miles main replacements. The Water Utility maintains 133.7 miles of water mains, with approximately 26%, or 36 miles, of ductile iron water mains and 74%, or 98 miles, of PVC water mains.

In regards to new water utility debt issues, starting in 2010, the Town of Menasha Utility Commission chose to use depreciation funds to offset the water main replacements to eliminate the need for additional borrowing in the water utility. This same methodology has continued in the 2014 budget for water main replacements.

Sewer Utility

The Sewer Utility maintains 118.71 miles of sewer mains, and eight lift stations. In 2013 and 2012 there was not any infrastructure contributed by developers compared to \$110,450 in 2011, and for 2010, 2009, and 2008, there were not any infrastructure contributions.

The Sewer Utility cleans the sanitary mains on a three year schedule. Additionally, a televising program is in place to detect inflow and infiltration (I & I) of ground and stormwater flows into the sanitary sewerage system. This ensures the flow to the treatment plants does not include the additional inflow of groundwater, since the utility is charged based on the amount of flow the treatment facility receives. The utility has been referenced by Wisconsin Department of Natural Resources as a role model in I & I removal initiatives with the implementation of the Lateral Repair fund which sets a portion of the residential class user fee aside for lateral repairs. These funds are used to partially fund replacement or repair of proven faulty residential service laterals and/or to provide backflow prevention devices to residential customers in areas most vulnerable to sewer back-ups during excessive rainfall events. In 2013 the utility implemented a PILOT

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Proprietary Funds (cont.)

Sewer Utility (cont.)

lateral replacement program during our sanitary sewer relay projects to eliminate unwanted clear water entering the new sewer system. This program required that customers replace their leaking laterals. The customers had an option to use the Town of Menasha's sewer main contractor at a discount or the customer could hire their own contractor. Before the project was started the Utility District engineer installed flow meters in the downstream manholes of the old sewer system to document the amount of Inflow & Infiltration (I&I) entering the sewer system. In 2014, the flow meters will be reinstalled in the same location to evaluate the effectiveness of this project compared to the cost. The 2013 non-operating cost for the discount to the customers and televising customer laterals was \$73,146. This project could potentially have a long-term operating cost savings for sewerage treatment.

The sewer utility does not have its own treatment facility. This service is contracted out with two treatment facilities, Grand Chute Menasha West Sewerage Commission (GCMW) and the Neenah-Menasha Sewerage Commission (NMSC). The Town of Menasha Utility District has been in the process of increasing sewer rates since 2009 for additional costs associated with these treatment facilities. In 2008, the Utility District was notified that the west-side sewerage treatment facility, GCMW, needed a capacity expansion, along with new technology to meet the required Wisconsin Department of Natural Resources mandates, which would cost the treatment plant \$40 million, and in turn increase the Town's treatment expenses. Since the Town of Menasha Sewer Utility had cash-on-hand available above the working capital needs, the Commission chose to implement the sewer rate increases over several years and use the cash-on-hand to offset the additional treatment cost expenses. The Town of Menasha has finished increasing sewer rates for this increase from the Grand Chute Menasha West (GCMW) Sewerage Treatment Plant; however, the east-side sewerage treatment facility, NMSC, is now in the process of upgrading its treatment facility. NMSC's plan includes improving/updating existing unit process equipment, increase biosolids digestion capacity, and utilize centrifuges for biosolids dewatering with off-site storage. The cost to the Town of Menasha Utility District is \$3.3 million, which was borrowed in 2013 utilizing a State of Wisconsin Clean Water Fund Loan. The Town of Menasha will then repay the debt costs through the NMSC facility's treatment costs, which will be based on actual plant usage. Based on estimated treatment plant expenses for both plants, the final sewer rate increase was implemented on January 1, 2013.

Stormwater Utility

On August 3, 2009, the Town of Menasha Town Board of Supervisors approved the formation of the Town of Menasha Stormwater Utility. The utility was formed to create a funding source for the federal and state unfunded stormwater mandates. The Wisconsin Department of Natural Resources had imposed strict particulate reduction guidelines, which required the construction of

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Proprietary Funds (cont.)

Stormwater Utility (cont.)

several stormwater detention ponds. Additionally, the Wisconsin Legislature imposed levy limits on municipalities. To meet the required mandates and to stay within the levy limits, the Town of Menasha was forced to create a stormwater utility to fund the costs associated with stormwater management. Even though the Town of Menasha formed this utility in 2009; the charges to the property owners did not begin until January 1, 2010. Due to the delay in revenue collection, the Town of Menasha General Fund advanced the Stormwater Utility for its 2009 operating costs. Additionally, the governmental fund has transferred the associated stormwater assets and debt liability to this proprietary fund. The debt payments previously paid on the outstanding debt issues for stormwater associated assets are required to be repaid to the general fund over the next several years, along with the advance for stormwater utility operations.

From 2008 through today, in order to meet Wisconsin Department of Natural Resource's stormwater particulate reduction mandates, the Town of Menasha purchased and is still constructing detention ponds. One of these ponds is a joint municipal project with the City of Menasha, 8.058 acres of land was purchased for the Tayco Road Pond. The cost split between the Town of Menasha and City of Menasha is 25.8% Town and 74.2% City. The Town of Menasha is the lead agent on this project, so the entire Clean Water Fund Loan (CWFL) is in the Town of Menasha's name, and offsets the general obligation debt capacity. The Statement of Net Position shows a non-current asset due from other governments for this joint project. Most of this receivable is the amount of debt liability due from the City of Menasha for their portion of the Tayco Road Pond.

In 2011, Governor Walker and the Wisconsin State Legislature changed the stormwater particulate reduction mandates for municipalities with Municipal Separate Storm Sewer System (MS4) permits. Previously, communities with MS4 permits were required to meet a 20% particulate reduction requirement by 2008, and a 40% particulate reduction requirement by 2013. The newly implemented laws now require communities to maintain particulate reduction requirements of at least 20% with the 40% particulate reduction requirement by 2013 having been removed. The Town has currently reached a level of approximately 22% stormwater particulate reduction so the Town currently meets the state's stormwater requirements.

While this change in state statute has eased the state stormwater requirements for the Town for the time being, the Environmental Protection Agency (EPA) has been reviewing stormwater policies within certain watersheds in the State of Wisconsin, and may look to impose federal stormwater regulations that would likely impact the Town of Menasha over the next several years. It is expected that the EPA will announce its new stormwater policies in 2014.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Proprietary Funds (cont.)

Stormwater Utility (cont.)

In 2013, the Stormwater Utility earned \$1.6 million in operating revenue and had \$850,000 in operating expenses, with a \$1.1 million increase to net position. This compares to \$1.6 million in operating revenue, \$800,000 in operating expenses and a \$1 million increase to net position in 2012.

Red Oak Ravine Project

One of the main stormwater improvement projects is a joint project with the City of Appleton. This area has streambank erosion issues due to stormwater runoff that flows through the ravine. Even though the ravine is located in the Town of Menasha, some of the originating stormwater is from watersheds located in the City of Appleton, which resulted in the joint project. The total project is expected to cost almost \$1.6 million, with only \$0.5 million the Town of Menasha's cost. The project was started in 2012 and was substantially completed in 2013. The project is anticipated to be finalized in 2014.

CAPITAL ASSETS

At the end of 2013, the Town had invested a total of \$120 million in capital assets (net of accumulated depreciation), an increase of 1.03% from 2012. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress. In 2012, the Town had \$119 million invested in net capital assets.

As seen in the following table, the most significant value change from 2012 to 2013 in capital assets, net of accumulated depreciation, was the increase in construction in progress assets. The business-type activity construction in progress amount relates to the construction of stormwater detention ponds and the joint project with the City of Appleton to improve drainage issues along the Red Oak Ravine. The governmental activity construction in progress amount relates to the redevelopment of Fritsch Park.

Additional information on the Town of Menasha's capital assets can be found in note IV.D. of this report.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT’S DISCUSSION AND ANALYSIS (cont.)
UNAUDITED

As of and For Year Ended December 31, 2013

CAPITAL ASSETS (cont.)

Fritsch Park Redevelopment

After 5 years of planning, the shovel finally hit the ground in May 2013 for the Fritsch Park Redevelopment project. The main component of the project was developing a means to handle the constant drainage problems that have plagued the park for years. A detention pond was installed to collect the majority of the park’s water, with a swale running the length of the park and re-grading of the athletic fields and park to give more slope and opportunities for water to move to the swale and pond. The park is encircled by a crushed limestone walking path and connected by a center asphalt trail providing a north/south link to all of the surrounding neighborhoods. The park pavilion was enlarged and insulated to support year-round activities. The sledding hills were enhanced and a new ice skating rink was developed with landscaped islands to skate around. The park has 1 tennis court and 1 – half court basketball court and new play equipment and outdoor fitness equipment will be installed in the spring of 2014.

**Capital Assets
Net of Accumulated Depreciation
(in millions of dollars)**

| | Governmental Activities | | Business- type Activities | | Totals | | Total Percentage Change |
|---------------------------|----------------------------|--------------|---------------------------------|--------------|---------------|---------------|-------------------------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012-2013 |
| Land and Land Rights | 30.06 | 30.06 | 1.01 | 1.19 | 31.07 | 31.25 | 0.58% |
| Land Improvements | 0.20 | 0.17 | | | 0.20 | 0.17 | (15.00%) |
| Buildings | 6.55 | 6.28 | | | 6.55 | 6.28 | (4.12%) |
| Computer Software & Equip | 0.16 | 0.14 | | | 0.16 | 0.14 | (12.50%) |
| Machinery and equipment | 1.63 | 1.49 | 2.41 | 2.41 | 4.04 | 3.90 | (3.47%) |
| Vehicles | 1.51 | 1.62 | | | 1.51 | 1.62 | 7.28% |
| Roadways | 15.31 | 14.92 | | | 15.31 | 14.92 | (2.55%) |
| Trails | 2.06 | 2.00 | | | 2.06 | 2.00 | (2.91%) |
| Source of Supply | | | 1.69 | 1.63 | 1.69 | 1.63 | (3.55%) |
| Pumping | | | 1.11 | 1.04 | 1.11 | 1.04 | (6.31%) |
| Treatment | | | 1.02 | 0.92 | 1.02 | 0.92 | (9.80%) |
| Trans. & Dist./Collection | | | 53.24 | 53.53 | 53.24 | 53.53 | 0.54% |
| Construction in progress | 0.10 | 1.42 | 0.89 | 1.36 | 0.99 | 2.78 | 180.30% |
| Total | <u>57.58</u> | <u>58.10</u> | <u>61.37</u> | <u>62.08</u> | <u>118.95</u> | <u>120.18</u> | <u>1.03%</u> |

(Totals may vary due to rounding.)

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2013

LONG-TERM DEBT

In February 2013, the Town of Menasha borrowed \$3.3 million, utilizing a State of Wisconsin Clean Water Fund Loan, for the Neenah Menasha Sewerage Treatment Plant upgrades. The debt payments will be the responsibility of the treatment facility and the Town of Menasha will repay the debt costs through the NMSC facility's treatment costs, which will be based on actual plant usage.

In October 2013, the Town of Menasha issued General Obligation Promissory Notes in the amount of \$3,585,000. \$1,650,000 of these funds were for 2013 Town road and park projects. \$1,935,000 of these funds were to advance refund the 2006 GO Promissory Notes. With this refunding, the Town saved \$53,178 in present value savings over the remaining life of the debt.

Under Wisconsin Statutes, Chapter 67, the Town of Menasha's aggregate indebtedness may not exceed 5% of the equalized value of taxable property located in the Town. The net amount of debt that is applicable to the statutory limit is \$20,117,955 which is considerably below the maximum of \$69,713,765.

For many years, the Town of Menasha has continued to maintain its high Aa2 rating for General Obligation debt and an A1 rating for revenue bonds from Moody's Investment Services. The Town of Menasha was last rated in 2013.

Due to financial considerations, the Town of Menasha decided not to borrow for new utility capital projects. The utility will be using depreciation funds to invest in main replacements for the 2014 projects.

**Outstanding Debt
General Obligation & Revenue Bonds
(in millions of dollars)**

| | Governmental Activities | | Business-Type Activities | | Totals | | Total Percentage Change |
|--------------------|----------------------------|-------|-----------------------------|-------|--------|-------|-------------------------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012-2013 |
| General Obligation | 10.74 | 10.44 | 6.93 | 9.68 | 17.67 | 20.12 | 13.87% |
| Revenue Bonds | | | 20.26 | 18.96 | 20.26 | 18.96 | (6.42%) |
| Total | 10.74 | 10.44 | 27.19 | 28.64 | 37.93 | 39.08 | 3.03% |

(Totals may vary due to rounding.)

Additional information on the Town of Menasha's long-term debt can be found in note IV.F. of this report.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2013

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

On February 3, 2014, the Town of Menasha closed on Revenue Refunding Bonds, in the amount of \$2,110,000, which refinanced the 2004 Utility Revenue Bonds. With this refinance, the Utility saved \$176,510 in present value savings over the remaining life of the debt.

REQUESTS FOR INFORMATION

The financial report is designed to provide the Town of Menasha's citizens, customers, investors and creditors with a general overview of the Town's finances. If you have questions about this report or need any additional information, contact the Town of Menasha, Myra Piergrossi, Finance Director, 2000 Municipal Drive, Neenah, Wisconsin, 54956-5665, call 920.720.7106, or e-mail mpiergrossi@town-menasha.com.

General information relating to the Town of Menasha, Wisconsin, can be found at the Town's website, www.town-menasha.com.

TOWN OF MENASHA

STATEMENT OF NET POSITION
As of December 31, 2013

| | Governmental Activities | Business- type Activities | Totals |
|--|----------------------------|---------------------------------|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 10,686,030 | \$ 4,399,021 | \$ 15,085,051 |
| Receivables (net) | | | |
| Taxes | 9,192,076 | - | 9,192,076 |
| Delinquent personal property taxes | 4,367 | - | 4,367 |
| Accounts | 174,277 | 2,273,671 | 2,447,948 |
| Loans | 100,000 | - | 100,000 |
| Special assessments | 366,620 | 422,893 | 789,513 |
| Accrued interest | 20,566 | 49,508 | 70,074 |
| Prepaid items | 63,949 | 37,257 | 101,206 |
| Inventories | - | 94,487 | 94,487 |
| Due from other governments | 146,796 | 712,557 | 859,353 |
| Internal balances-current | 143,879 | (143,879) | - |
| Internal balances-advances | 361,432 | (361,432) | - |
| Restricted Assets | | | |
| Cash and investments | - | 5,028,261 | 5,028,261 |
| Depreciation investments | - | 635,987 | 635,987 |
| Other investments | - | 588,755 | 588,755 |
| Advance to Neenah-Menasha Sewerage Commission | - | 3,289,151 | 3,289,151 |
| Advance to Grand Chute-Menasha West Regional Plant | - | 5,406,030 | 5,406,030 |
| Property held for future use | - | 74,373 | 74,373 |
| Preliminary survey and investigation | - | 9,641 | 9,641 |
| Land | 30,027,843 | 1,198,798 | 31,226,641 |
| Easements | 30,818 | - | 30,818 |
| Construction in progress | 1,417,030 | 1,354,981 | 2,772,011 |
| Capital assets, being depreciated/amortized | 46,563,905 | 82,245,251 | 128,809,156 |
| Less: Accumulated depreciation/amortization | (19,936,951) | (22,725,097) | (42,662,048) |
| Total Assets | <u>79,362,637</u> | <u>84,590,214</u> | <u>163,952,851</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Unamortized loss on advance refunding | - | 7,966 | 7,966 |
| LIABILITIES | | | |
| Accounts payable | 670,965 | 659,240 | 1,330,205 |
| Accrued liabilities | 506,697 | 273,040 | 779,737 |
| Deposits | 157,070 | - | 157,070 |
| Noncurrent Liabilities | | | |
| Due within one year | 2,224,825 | 2,275,585 | 4,500,410 |
| Due in more than one year | 9,041,203 | 26,799,612 | 35,840,815 |
| Total Liabilities | <u>12,600,760</u> | <u>30,007,477</u> | <u>42,608,237</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unearned revenue | 8,721,790 | - | 8,721,790 |
| NET POSITION | | | |
| Net investment in capital assets | 47,718,368 | 43,838,631 | 91,556,999 |
| Restricted for: | | | |
| General government | 1,455 | - | 1,455 |
| Public safety | 48,994 | - | 48,994 |
| Public works | 342,288 | - | 342,288 |
| Leisure activities | 51,714 | - | 51,714 |
| Community development | 7,734 | - | 7,734 |
| Debt service and equipment replacement | - | 3,162,018 | 3,162,018 |
| Unrestricted | 9,869,534 | 7,590,054 | 17,459,588 |
| TOTAL NET POSITION | <u>\$ 58,040,087</u> | <u>\$ 54,590,703</u> | <u>\$ 112,630,790</u> |

See accompanying notes to financial statements.

TOWN OF MENASHA

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities | | | | |
| General government | \$ 1,597,819 | \$ 48,424 | \$ 39,133 | \$ 823 |
| Public safety | 4,506,270 | 397,043 | 99,698 | 13,581 |
| Public works | 3,642,092 | 934,179 | 730,937 | 95,429 |
| Leisure activities | 1,168,122 | 160,477 | - | 24,599 |
| Conservation and development | 128,584 | 18,505 | 15,263 | - |
| Interest and fiscal charges | 464,372 | - | 44,432 | - |
| Total Governmental Activities | 11,507,259 | 1,558,628 | 929,463 | 134,432 |
| Business-type Activities | | | | |
| Water | 3,906,865 | 5,085,947 | 36,977 | 164,768 |
| Sewer | 3,172,812 | 3,476,960 | - | 317,711 |
| Stormwater | 954,300 | 1,580,808 | 68,096 | 503,800 |
| Total Business-type Activities | 8,033,977 | 10,143,715 | 105,073 | 986,279 |
| Totals | \$ 19,541,236 | \$ 11,702,343 | \$ 1,034,536 | \$ 1,120,711 |

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION - Beginning of Year (as restated)

NET POSITION - END OF YEAR

Net (Expense) Revenue and
Changes in Net Position

| Governmental Activities | Business-type Activities | Totals |
|----------------------------|-----------------------------|-----------------------|
| \$ (1,509,439) | \$ - | \$ (1,509,439) |
| (3,995,948) | - | (3,995,948) |
| (1,881,547) | - | (1,881,547) |
| (983,046) | - | (983,046) |
| (94,816) | - | (94,816) |
| <u>(419,940)</u> | <u>-</u> | <u>(419,940)</u> |
| <u>(8,884,736)</u> | <u>-</u> | <u>(8,884,736)</u> |
| - | 1,380,827 | 1,380,827 |
| - | 621,859 | 621,859 |
| <u>-</u> | <u>1,198,404</u> | <u>1,198,404</u> |
| <u>-</u> | <u>3,201,090</u> | <u>3,201,090</u> |
| <u>(8,884,736)</u> | <u>3,201,090</u> | <u>(5,683,646)</u> |
| 5,935,855 | - | 5,935,855 |
| 1,853,030 | - | 1,853,030 |
| 62,963 | - | 62,963 |
| 600,848 | - | 600,848 |
| 95,727 | 45,127 | 140,854 |
| 355,266 | 16,331 | 371,597 |
| <u>611,102</u> | <u>(611,102)</u> | <u>-</u> |
| <u>9,514,791</u> | <u>(549,644)</u> | <u>8,965,147</u> |
| 630,055 | 2,651,446 | 3,281,501 |
| <u>57,410,032</u> | <u>51,939,257</u> | <u>109,349,289</u> |
| <u>\$ 58,040,087</u> | <u>\$ 54,590,703</u> | <u>\$ 112,630,790</u> |

See accompanying notes to financial statements.

TOWN OF MENASHA

BALANCE SHEET - GOVERNMENTAL FUNDS
As of December 31, 2013

| | <u>General</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Equipment Replacement Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|---------------------|-----------------------------|---|--|---|
| ASSETS | | | | | | |
| Cash and investments | \$ 5,746,956 | \$ 788,113 | \$ 944,976 | \$ 2,620,858 | \$ 585,127 | \$ 10,686,030 |
| Receivables | | | | | | |
| Taxes | 6,416,381 | 1,955,578 | - | - | 820,117 | 9,192,076 |
| Delinquent personal property taxes | 4,367 | - | - | - | - | 4,367 |
| Accounts | 159,277 | 2,160 | 9,195 | - | 3,645 | 174,277 |
| Loans | - | 100,000 | - | - | - | 100,000 |
| Special assessments | - | 366,620 | - | - | - | 366,620 |
| Accrued interest | - | - | - | 20,566 | - | 20,566 |
| Prepaid items | 63,949 | - | - | - | - | 63,949 |
| Due from other governments | 146,796 | - | - | - | - | 146,796 |
| Due from other funds | 531,191 | - | - | - | - | 531,191 |
| Advances to other funds | 361,432 | - | - | - | - | 361,432 |
| TOTAL ASSETS | \$ 13,430,349 | \$ 3,212,471 | \$ 954,171 | \$ 2,641,424 | \$ 1,408,889 | \$ 21,647,304 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 426,745 | \$ - | \$ 107,633 | \$ - | \$ 136,587 | \$ 670,965 |
| Accrued liabilities | 348,862 | - | - | - | - | 348,862 |
| Deposits | 157,070 | - | - | - | - | 157,070 |
| Due to other funds | 365,579 | 21,733 | - | - | - | 387,312 |
| Total Liabilities | <u>1,298,256</u> | <u>21,733</u> | <u>107,633</u> | <u>-</u> | <u>136,587</u> | <u>1,564,209</u> |
| Deferred Inflows of Resources | | | | | | |
| Unearned revenues | 6,050,802 | 1,850,871 | - | - | 820,117 | 8,721,790 |
| Unavailable revenues | - | 471,327 | - | - | - | 471,327 |
| Total Deferred Inflows of Resources | <u>6,050,802</u> | <u>2,322,198</u> | <u>-</u> | <u>-</u> | <u>820,117</u> | <u>9,193,117</u> |
| Fund Balances | | | | | | |
| Nonspendable | 429,748 | - | - | - | - | 429,748 |
| Restricted | - | 148,542 | 167,261 | - | 452,185 | 767,988 |
| Committed | 1,916,422 | - | - | - | - | 1,916,422 |
| Assigned | 1,617,349 | 719,998 | 679,277 | 2,641,424 | - | 5,658,048 |
| Unassigned | 2,117,772 | - | - | - | - | 2,117,772 |
| Total Fund Balances | <u>6,081,291</u> | <u>868,540</u> | <u>846,538</u> | <u>2,641,424</u> | <u>452,185</u> | <u>10,889,978</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 13,430,349 | \$ 3,212,471 | \$ 954,171 | \$ 2,641,424 | \$ 1,408,889 | |

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. | \$ 58,102,645 |
| Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV.B. | |
| Special assessments on the 2013 tax roll | 104,707 |
| Special assessments deferred to future years | 366,620 |
| 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. | <u>(11,423,863)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 58,040,087 |

See accompanying notes to financial statements.

TOWN OF MENASHA

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

| | General | Debt Service | Capital Projects | Equipment Replacement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------|---------------------|----------------------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Taxes | \$ 5,998,818 | \$ 1,853,030 | \$ - | \$ - | \$ - | \$ 7,851,848 |
| Intergovernmental | 1,371,690 | 44,432 | - | - | 75,056 | 1,491,178 |
| Licenses and permits | 448,259 | - | - | - | - | 448,259 |
| Fines, forfeitures and penalties | 201,246 | - | - | - | - | 201,246 |
| Public charges for services | 142,432 | 13,946 | - | - | 895,184 | 1,051,562 |
| Special assessments | 13,806 | 169,268 | - | - | - | 183,074 |
| Investment income | 38,589 | 30,581 | 916 | 24,114 | 1,527 | 95,727 |
| Miscellaneous | 117,586 | - | 19,000 | - | 77,818 | 214,404 |
| Total Revenues | <u>8,332,426</u> | <u>2,111,257</u> | <u>19,916</u> | <u>24,114</u> | <u>1,049,585</u> | <u>11,537,298</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 1,399,624 | - | - | - | 1,049 | 1,400,673 |
| Public safety | 4,183,830 | - | - | - | 15,753 | 4,199,583 |
| Public works | 2,124,689 | - | - | - | 822,557 | 2,947,246 |
| Leisure activities | 766,252 | - | - | - | 8,381 | 774,633 |
| Conservation and development | 126,664 | - | - | - | 931 | 127,595 |
| Capital Outlay | - | - | 1,554,696 | 463,510 | 18,750 | 2,036,956 |
| Debt Service | | | | | | |
| Principal retirement | - | 1,969,349 | - | - | - | 1,969,349 |
| Interest and fiscal charges | - | 381,288 | 26,905 | - | - | 408,193 |
| Total Expenditures | <u>8,601,059</u> | <u>2,350,637</u> | <u>1,581,601</u> | <u>463,510</u> | <u>867,421</u> | <u>13,864,228</u> |
| Excess (deficiency) of revenues over expenditures | <u>(268,633)</u> | <u>(239,380)</u> | <u>(1,561,685)</u> | <u>(439,396)</u> | <u>182,164</u> | <u>(2,326,930)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Debt issued | - | - | 1,650,000 | - | - | 1,650,000 |
| Debt issued - refunding | - | 1,903,090 | - | - | - | 1,903,090 |
| Payments to refunding bond escrow agent | - | (1,916,071) | - | - | - | (1,916,071) |
| Premium on debt | - | 48,542 | 60,889 | - | - | 109,431 |
| Sale of capital assets | - | - | - | 74,553 | - | 74,553 |
| Transfers in | 902,897 | 88,926 | 49,769 | 526,113 | - | 1,567,705 |
| Transfers out | (575,882) | (22,332) | (100,000) | - | (258,389) | (956,603) |
| Total Other Financing Sources (Uses) | <u>327,015</u> | <u>102,155</u> | <u>1,660,658</u> | <u>600,666</u> | <u>(258,389)</u> | <u>2,432,105</u> |
| Net Change in Fund Balance | 58,382 | (137,225) | 98,973 | 161,270 | (76,225) | 105,175 |
| FUND BALANCES - Beginning of Year | <u>6,022,909</u> | <u>1,005,765</u> | <u>747,565</u> | <u>2,480,154</u> | <u>528,410</u> | <u>10,784,803</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 6,081,291</u> | <u>\$ 868,540</u> | <u>\$ 846,538</u> | <u>\$ 2,641,424</u> | <u>\$ 452,185</u> | <u>\$ 10,889,978</u> |

See accompanying notes to financial statements.

TOWN OF MENASHA

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

| | |
|---|--------------------------|
| Net change in fund balances - total governmental funds | \$ 105,175 |
| 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 | 2,036,956 |
| Some items are reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements | 135,337 |
| Depreciation is reported in the government-wide statements | (1,641,432) |
| Net book value of assets disposed | (823) |
| Special assessments reported in the fund financial statements are recognized as revenue when earned in the government-wide financial statements. | (73,839) |
| Debt that was issued provides current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments (\$3,847,849) exceeds proceeds (\$3,553,090). | 294,759 |
| 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 | (98,039) |
| Debt premium | (103,737) |
| Accrued interest and other debt expenses | <u>(24,302)</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 630,055</u> |

See accompanying notes to financial statements.

TOWN OF MENASHA

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

| | Enterprise Funds | | | Totals |
|---|---------------------|--------------------|-----------------------|---------------------|
| | Water Utility | Sewer Utility | Stormwater Utility | |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and investments | \$ 1,939,248 | \$ 1,233,730 | \$ 1,226,043 | \$ 4,399,021 |
| Restricted cash and investments | 574,580 | 248,275 | - | 822,855 |
| Receivables | | | | |
| Customer and other accounts receivable | 986,456 | 730,724 | 556,491 | 2,273,671 |
| Accrued interest | 43,942 | 5,566 | - | 49,508 |
| Prepaid items | 16,755 | 10,788 | 9,714 | 37,257 |
| Inventories | 94,487 | - | - | 94,487 |
| Due from other funds | 164,451 | 152,007 | 70,854 | 387,312 |
| Due from other governments | 17,796 | 73,925 | 29,628 | 121,349 |
| Current portion of advance to Neenah-Menasha Sewerage Commission | - | 135,462 | - | 135,462 |
| Current portion of advance to Grand Chute-Menasha West Regional Plant | - | 282,926 | - | 282,926 |
| Total Current Assets | <u>3,837,715</u> | <u>2,873,403</u> | <u>1,892,730</u> | <u>8,603,848</u> |
| NonCurrent Assets | | | | |
| Restricted Assets | | | | |
| Cash and investments | 1,323,721 | 2,544,782 | 336,903 | 4,205,406 |
| Other Assets | | | | |
| Depreciation investments | - | - | 635,987 | 635,987 |
| Other investments | - | 588,755 | - | 588,755 |
| Due from other governments | - | 72,032 | 519,176 | 591,208 |
| Advance to Neenah-Menasha Sewerage Commission | - | 3,153,689 | - | 3,153,689 |
| Advance to Grand Chute-Menasha West Regional Plant | - | 5,123,104 | - | 5,123,104 |
| Special assessments | 47,580 | 193,080 | 182,233 | 422,893 |
| Property held for future use | - | - | 74,373 | 74,373 |
| Preliminary survey and investigation | - | - | 9,641 | 9,641 |
| Capital Assets | | | | |
| Property, plant and equipment | 38,425,914 | 30,682,294 | 14,335,841 | 83,444,049 |
| Construction work in progress | 3,110 | 18,342 | 1,333,529 | 1,354,981 |
| Accumulated depreciation | <u>(10,578,756)</u> | <u>(9,435,325)</u> | <u>(2,711,016)</u> | <u>(22,725,097)</u> |
| Total NonCurrent Assets | <u>29,221,569</u> | <u>32,940,753</u> | <u>14,716,667</u> | <u>76,878,989</u> |
| Total Assets | <u>33,059,284</u> | <u>35,814,156</u> | <u>16,609,397</u> | <u>85,482,837</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on advance refunding | <u>7,966</u> | <u>-</u> | <u>-</u> | <u>7,966</u> |

See accompanying notes to financial statements.

| | Enterprise Funds | | | Totals |
|---|----------------------|----------------------|-----------------------|----------------------|
| | Water Utility | Sewer Utility | Stormwater Utility | |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | \$ 180,442 | \$ 249,150 | \$ 229,648 | \$ 659,240 |
| Accrued liabilities | 41,176 | 24,088 | 12,714 | 77,978 |
| Due to other funds | 531,191 | - | - | 531,191 |
| Current portion of GO bonds (NMSC) | - | 135,462 | - | 135,462 |
| Current portion of revenue bonds (Grand Chute) | - | 282,926 | - | 282,926 |
| Accrued interest of general obligation debt | 83,181 | 631 | 23,915 | 107,727 |
| Compensated absences | 112,881 | 72,258 | 29,805 | 214,944 |
| Current portion of general obligation debt | 108,422 | 117,912 | 345,919 | 572,253 |
| Current portion of advances | - | - | 100,000 | 100,000 |
| Current Liabilities Payable from Restricted Assets | | | | |
| Current portion of revenue bonds | 733,603 | 336,397 | - | 1,070,000 |
| Accrued interest | 60,781 | 26,554 | - | 87,335 |
| Total Current Liabilities | <u>1,851,677</u> | <u>1,245,378</u> | <u>742,001</u> | <u>3,839,056</u> |
| Noncurrent Liabilities | | | | |
| General obligation debt payable | 2,004,501 | 3,171,418 | 3,791,651 | 8,967,570 |
| Advances from other funds | - | - | 261,432 | 261,432 |
| Revenue bonds payable | 8,661,092 | 8,942,015 | - | 17,603,107 |
| Unamortized debt premium | 44,755 | 24,733 | 51,625 | 121,113 |
| Unamortized debt discount | (26,828) | (8,246) | - | (35,074) |
| Compensated absences | 60,961 | 26,790 | 25,135 | 112,886 |
| Customer advances for construction | 16,391 | 13,619 | - | 30,010 |
| Total Noncurrent Liabilities | <u>10,760,872</u> | <u>12,170,329</u> | <u>4,129,843</u> | <u>27,061,044</u> |
| Total Liabilities | <u>12,612,549</u> | <u>13,415,707</u> | <u>4,871,844</u> | <u>30,900,100</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 17,336,613 | 17,395,956 | 9,106,062 | 43,838,631 |
| Restricted for debt service and equipment replacement | 833,596 | 2,328,422 | - | 3,162,018 |
| Unrestricted | <u>2,284,492</u> | <u>2,674,071</u> | <u>2,631,491</u> | <u>7,590,054</u> |
| TOTAL NET POSITION | <u>\$ 20,454,701</u> | <u>\$ 22,398,449</u> | <u>\$ 11,737,553</u> | <u>\$ 54,590,703</u> |

See accompanying notes to financial statements.

TOWN OF MENASHA

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

| | Enterprise Funds | | | |
|--|----------------------|----------------------|-----------------------|----------------------|
| | Water Utility | Sewer Utility | Stormwater Utility | Totals |
| OPERATING REVENUES-CHARGES FOR SERVICES | \$ 5,085,947 | \$ 3,476,960 | \$ 1,580,808 | \$ 10,143,715 |
| OPERATING EXPENSES | | | | |
| Operation and maintenance | 2,677,462 | 2,477,096 | 574,112 | 5,728,670 |
| Depreciation | 753,913 | 459,171 | 275,037 | 1,488,121 |
| Total Operating Expenses | <u>3,431,375</u> | <u>2,936,267</u> | <u>849,149</u> | <u>7,216,791</u> |
| OPERATING INCOME | <u>1,654,572</u> | <u>540,693</u> | <u>731,659</u> | <u>2,926,924</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 15,499 | 24,441 | 5,187 | 45,127 |
| State operating grant | - | - | 68,096 | 68,096 |
| Intergovernmental grant - interest subsidy | 36,977 | - | - | 36,977 |
| Miscellaneous | 4,633 | (69,796) | 11,698 | (53,465) |
| Interest and amortization | <u>(475,490)</u> | <u>(166,749)</u> | <u>(105,151)</u> | <u>(747,390)</u> |
| Total Nonoperating Revenues (Expenses) | <u>(418,381)</u> | <u>(212,104)</u> | <u>(20,170)</u> | <u>(650,655)</u> |
| Income Before Contributions and Transfers | <u>1,236,191</u> | <u>328,589</u> | <u>711,489</u> | <u>2,276,269</u> |
| CONTRIBUTIONS AND TRANSFERS | | | | |
| Capital contributions | 164,768 | 317,711 | 503,800 | 986,279 |
| Transfers in | 8,045 | 13,688 | - | 21,733 |
| Transfers out | (18,645) | (18,645) | (64,354) | (101,644) |
| Transfer out - tax equivalent | <u>(531,191)</u> | <u>-</u> | <u>-</u> | <u>(531,191)</u> |
| Total Contributions and Transfers | <u>(377,023)</u> | <u>312,754</u> | <u>439,446</u> | <u>375,177</u> |
| Change in Net Position | 859,168 | 641,343 | 1,150,935 | 2,651,446 |
| NET POSITION - Beginning of Year (as restated) | <u>19,595,533</u> | <u>21,757,106</u> | <u>10,586,618</u> | <u>51,939,257</u> |
| NET POSITION - END OF YEAR | <u>\$ 20,454,701</u> | <u>\$ 22,398,449</u> | <u>\$ 11,737,553</u> | <u>\$ 54,590,703</u> |

See accompanying notes to financial statements.

TOWN OF MENASHA

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

| | Enterprise Funds | | | Totals |
|---|---------------------|---------------------|-----------------------|---------------------|
| | Water Utility | Sewer Utility | Stormwater Utility | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Received from customers | \$ 5,150,841 | \$ 3,335,655 | \$ 1,546,220 | \$ 10,032,716 |
| Paid to suppliers for goods and services | (2,006,202) | (2,119,220) | (309,005) | (4,434,427) |
| Paid to employees for services | (574,510) | (371,879) | (220,168) | (1,166,557) |
| Net Cash Flows From Operating Activities | <u>2,570,129</u> | <u>844,556</u> | <u>1,017,047</u> | <u>4,431,732</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers (to) from other funds | (10,600) | (4,957) | (64,354) | (79,911) |
| Repayment of advances from town | - | - | (100,000) | (100,000) |
| Repayment of advance from City of Menasha | - | - | 43,563 | 43,563 |
| Tax equivalent paid to municipality | (531,191) | - | - | (531,191) |
| Net Cash Flows From Noncapital Financing Activities | <u>(541,791)</u> | <u>(4,957)</u> | <u>(120,791)</u> | <u>(667,539)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Debt retired | (824,381) | (455,380) | (328,170) | (1,607,931) |
| Interest paid | (487,714) | (173,289) | (129,035) | (790,038) |
| Intergovernmental grant - subsidy received | 38,434 | - | - | 38,434 |
| Debt issued | 13,995 | 17,915 | - | 31,910 |
| Acquisition and construction of capital assets | (717,210) | (817,391) | (669,831) | (2,204,432) |
| Hook-up fees received | - | 17,290 | - | 17,290 |
| Capital contributions received | - | - | 95,580 | 95,580 |
| Special assessments received | 223,125 | 293,213 | 165,655 | 681,993 |
| Net Cash Flows From Capital and Related Financing Activities | <u>(1,753,751)</u> | <u>(1,117,642)</u> | <u>(865,801)</u> | <u>(3,737,194)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investments sold and matured | 261,419 | 84,830 | - | 346,249 |
| Investment income | 8,985 | 19,900 | 5,187 | 34,072 |
| Net Cash Flows From Investing Activities | <u>270,404</u> | <u>104,730</u> | <u>5,187</u> | <u>380,321</u> |
| Net Change in Cash and Cash Equivalents | 544,991 | (173,313) | 35,642 | 407,320 |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>2,741,488</u> | <u>3,904,903</u> | <u>2,163,291</u> | <u>8,809,682</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 3,286,479</u> | <u>\$ 3,731,590</u> | <u>\$ 2,198,933</u> | <u>\$ 9,217,002</u> |

See accompanying notes to financial statements.

| | Enterprise Funds | | | Totals |
|---|---------------------|---------------------|-----------------------|---------------------|
| | Water Utility | Sewer Utility | Stormwater Utility | |
| RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Operating income | \$ 1,654,572 | \$ 540,693 | \$ 731,659 | \$ 2,926,924 |
| Nonoperating revenue (expense) | 4,633 | (73,146) | 59,418 | (9,095) |
| Noncash items included in operating income | | | | |
| Depreciation expense | 753,913 | 459,171 | 275,037 | 1,488,121 |
| Depreciation charged to other accounts | 36,939 | (36,939) | - | - |
| Changes in assets and liabilities | | | | |
| Customer accounts receivable | 20,496 | (26,133) | (5,611) | (11,248) |
| Other accounts receivable | 1,947 | (26,231) | (64,341) | (88,625) |
| Prepaid items | 1,734 | 81 | (2,052) | (237) |
| Inventories | (4,509) | - | - | (4,509) |
| Due from other funds | (4,187) | 21,144 | (24,054) | (7,097) |
| Due from other governments | 5,066 | - | - | 5,066 |
| Accounts payable | 41,766 | (21,725) | 43,273 | 63,314 |
| Accrued liabilities | 5,250 | 2,543 | 7,468 | 15,261 |
| Due to other funds | 51,202 | - | - | 51,202 |
| Compensated absences | 1,307 | 5,098 | (3,750) | 2,655 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | \$ 2,570,129 | \$ 844,556 | \$ 1,017,047 | \$ 4,431,732 |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS | | | | |
| Cash and investments | \$ 1,939,248 | \$ 1,233,730 | \$ 1,226,043 | \$ 4,399,021 |
| Restricted cash and investments - current | 574,580 | 248,275 | - | 822,855 |
| Restricted cash and investments - noncurrent | 1,323,721 | 2,544,782 | 336,903 | 4,205,406 |
| Other assets - depreciation investments | - | - | 635,987 | 635,987 |
| Other assets - other investments | - | 588,755 | - | 588,755 |
| Total Cash and Investments | 3,837,549 | 4,615,542 | 2,198,933 | 10,652,024 |
| Less: Noncash equivalents | (551,070) | (883,952) | - | (1,435,022) |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 3,286,479 | \$ 3,731,590 | \$ 2,198,933 | \$ 9,217,002 |
| NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Capital assets contributed by developers and assessed to customers | \$ 172,112 | \$ 313,108 | \$ 357,950 | |
| Special assessments forgiven | \$ 7,344 | \$ 12,687 | \$ 1,121 | |
| Reduction in debt for regional treatment plant | \$ - | \$ 275,554 | \$ - | |
| Interest on advances | \$ - | \$ - | \$ 18,458 | |
| Debt issued for regional treatment plant | \$ - | \$ 3,289,151 | \$ - | |

See accompanying notes to financial statements.

TOWN OF MENASHA

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

| | <u>Agency</u> <u>Tax Collection</u> <u>Fund</u> |
|--------------------------|---|
| ASSETS | |
| Cash and investments | \$ 13,167,080 |
| Taxes receivable | <u>10,910,194</u> |
| TOTAL ASSETS | <u>\$ 24,077,274</u> |
| LIABILITIES | |
| Accounts payable | \$ 8,181 |
| Due to other governments | <u>24,069,093</u> |
| TOTAL LIABILITIES | <u>\$ 24,077,274</u> |

See accompanying notes to financial statements.

TOWN OF MENASHA

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

| NOTE | Page |
|--|------|
| I. Summary of Significant Accounting Policies | 14 |
| A. Reporting Entity | 14 |
| B. Government-Wide and Fund Financial Statements | 14 |
| C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation | 17 |
| D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity | 18 |
| 1. Deposits and Investments | 18 |
| 2. Receivables | 19 |
| 3. Inventories and Prepaid Items | 20 |
| 4. Restricted Assets | 20 |
| 5. Capital Assets | 20 |
| 6. Other Assets | 21 |
| 7. Deferred Outflows of Resources | 21 |
| 8. Due From Other Governments | 22 |
| 9. Compensated Absences | 22 |
| 10. Long-Term Obligations/Conduit Debt | 22 |
| 11. Deferred Inflows of Resources | 23 |
| 12. Equity Classifications | 23 |
| 13. Basis for Existing Utility Rates | 25 |
| II. Reconciliation of Government-Wide and Fund Financial Statements | 25 |
| A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position | 25 |
| III. Stewardship, Compliance, and Accountability | 25 |
| A. Deficit Balances | 25 |
| B. Limitations on the Town's Tax Levy | 26 |
| IV. Detailed Notes on All Funds | 26 |
| A. Deposits and Investments | 26 |
| B. Receivables | 29 |
| C. Restricted Assets | 29 |
| D. Capital Assets | 30 |
| E. Interfund Receivables/Payables, Advances and Transfers | 34 |
| F. Long-Term Obligations | 37 |
| G. Lease Disclosures | 41 |
| H. Net Position/Fund Balances | 42 |
| I. Restatement of Net Position | 47 |
| V. Other Information | 48 |
| A. Employees' Retirement System | 48 |
| B. Risk Management | 49 |
| C. Commitments and Contingencies | 49 |
| D. Water and Sewer Utilities Bond Covenant Disclosures | 50 |
| E. Long-Term Contracts | 51 |
| F. Economic Dependency | 51 |
| G. Subsequent Events | 51 |
| H. Effect of New Accounting Standards on Current-Period Financial Statements | 51 |

TOWN OF MENASHA

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Menasha, Wisconsin conform to generally accepted accounting principles 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 Town of Menasha. The reporting entity for the town 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 town has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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.

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 town 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.

TOWN OF MENASHA

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

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

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

Fund Financial Statements

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

Funds are organized as major funds or nonmajor funds within the governmental and proprietary 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 town 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 town believes is particularly important to financial statement users may be reported as a major fund.

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

The town reports the following major governmental funds:

- General Fund – accounts for the town’s primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- 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 enterprise debt.
- Capital Projects Fund – 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 capital facilities and other capital assets.
- Equipment Replacement Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the purchase or replacement of town equipment or vehicles.

The town reports the following major enterprise funds:

- Water Utility – accounts for operations of the water system.
- Sewer Utility – accounts for operations of the sewer system.
- Stormwater Utility – accounts for operations of the stormwater system.

TOWN OF MENASHA

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

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

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

Fund Financial Statements (cont.)

The town reports the following nonmajor governmental 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).

Garbage Collection/Recycling
Grants
GREAT
Other Special Revenue

In addition, the town reports the following fund type:

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

Tax Collection Fund

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the town's water and sewer utilities 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.

TOWN OF MENASHA

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

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

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

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 town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2013, there were \$1,037,172 of anticipated future assessments which are not recorded as receivables in the water and sewer utilities because collection is subject to certain events occurring in the future. 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 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 and sewer utilities 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.

TOWN OF MENASHA

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

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

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

All Financial Statements

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

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

1. Deposits and Investments

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

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

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

The town has not adopted an investment policy but follows the state statutes for allowable investments. However, state statutes do not specifically address the risks disclosed in GASB No. 40.

No policy exists for the following risks: custodial credit risk, credit risk, concentration of credit risk and interest rate risk.

TOWN OF MENASHA

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

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

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

1. Deposits and Investments (cont.)

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the town'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 are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the town, 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 fund.

Property tax calendar – 2013 tax roll:

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

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, sewer and stormwater utilities because they have the right by law to place substantially all delinquent utility bills on the tax roll, and other delinquent utility bills are generally not significant.

TOWN OF MENASHA

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

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

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

2. Receivables (cont.)

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

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

The town received funds from Winnebago County for an economic development loan to a business. The town recorded a loan receivable when the funds were disbursed. No allowance for uncollectable accounts has been recorded. The town has reported restricted fund balance for the loan receivable.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction or for operation and maintenance work. They are not for resale. They are valued at lower of cost or market utilizing the average cost method, and charged to construction and/or operation and maintenance expense when used.

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

TOWN OF MENASHA

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

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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. There was no interest capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------|-------------|
| Buildings | 40 Years |
| Machinery and Equipment | 2-20 Years |
| Utility System | 15-90 Years |
| Infrastructure | 30-60 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 way as in the government-wide statements.

6. Other Assets

The sewer utility fund has an other investments account that contains sewer funds that have been set aside to offset water treatment expenses.

7. Deferred Outflows of Resources

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

A deferred charge on refunding 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 that 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.

TOWN OF MENASHA

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

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

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

8. Due From Other Governments

The water and sewer utilities have amounts due from other governments adjacent to the town. All of these amounts are due within one year. The stormwater utility is constructing a stormwater detention pond that is also being funded by other governments.

The sewer utility also has a receivable from the Town of Clayton for the funding of stormwater projects. The total amount to be paid is \$110,000. The long term portion is \$72,032 which will be paid in 2015 and 2016.

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, and are payable with expendable available resources.

The town does not have a postemployment benefits liability related to GASB No. 45.

10. Long-Term Obligations/Conduit Debt

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) 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. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

The town may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRBs are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the town. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were no IRBs outstanding at year end.

TOWN OF MENASHA

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

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

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

11. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position 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

Governmental fund equity is classified as net position and displayed as follows:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on 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. Unrestricted net position – All other net position that does 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 town’s policy to use restricted resources first, then unrestricted resources as they are needed.

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 town. 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 town that originally created the commitment.

TOWN OF MENASHA

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

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

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

12. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

The town 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 town would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Under Ordinance 16.04, the Board formally established a stabilization fund in 2012. The stabilization fund is contained as a committed balance within the general fund. The stabilization fund shall not be used except in the following circumstances: externally imposed reductions in revenue, including dramatic changes in economic or financial conditions of the town, unforeseen external factors such as a natural disaster, which impacts the current year budget by over \$100,000 and where the general fund's unassigned fund balance is a deficit at the end of a calendar year. Additions to the stabilization fund are required when the fund balance declines below 20% of the subsequent year's general fund expenditure budget. The balance in the account at year end was \$1,916,422.

The town has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 10%-20% of the subsequent years' general fund expenditures budget. The balance at year end was \$2,117,772, or 22%, and is shown as unassigned general fund balance.

See Note IV. H. for further information.

TOWN OF MENASHA

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

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

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

13. Basis for Existing Utility Rates

Water Utility

Current water rates were approved by the PSCW and became effective on March 1, 2012. The rates are designed to provide a 6.25% return on rate base.

Sewer Utility

Current sewer rates were approved by the Town of Menasha Utility District and became effective January 1, 2013.

Stormwater Utility

Current stormwater rates were approved by the Stormwater Utility Commission on July 13, 2009, and effective when billing began on January 1, 2010.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The details of the reconciliation include the following items:

Long-term liabilities applicable to the town's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term are reported in the statement of net position.

| | |
|---|----------------------|
| Bonds and notes payable | \$ 10,442,670 |
| Compensated absences | 675,379 |
| Accrued interest | 157,835 |
| Unamortized debt premium | <u>147,979</u> |
| Combined Adjustment for Long-Term Liabilities | <u>\$ 11,423,863</u> |

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT BALANCES

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

As of December 31, 2013, no individual funds held a deficit balance.

TOWN OF MENASHA

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

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

B. LIMITATIONS ON THE TOWN'S TAX LEVY

Wisconsin law limits the town's future tax levies. Generally, the town is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the town'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 town 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.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The town maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of in 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 town's funds.

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

| | Carrying Value | Statement Balances | Associated Risks |
|--|-------------------|-----------------------|--|
| Demand deposits | \$ 21,948,642 | \$ 21,806,485 | Custodial credit risk |
| U.S. Agencies | 659,947 | 659,947 | Custodial credit risk, interest rate risk |
| Corporate bonds | 3,245,195 | 3,245,195 | Custodial credit risk, credit risk, concentration of credit risk, interest rate risk |
| Local Government Investment Pool | 8,642,872 | 8,642,872 | Credit risk |
| Petty cash | 8,478 | - | N/A |
| Total Deposits and Investments | \$ 34,505,134 | \$ 34,354,499 | |
| Reconciliation to financial statements | | | |
| Per statement of net position | | | |
| Unrestricted cash and investments | \$ 15,085,051 | | |
| Restricted cash and investments | 5,028,261 | | |
| Depreciation investments | 635,987 | | |
| Other investments | 588,755 | | |
| Statement of Assets and Liabilities – Agency Fund | 13,167,080 | | |
| Total Deposits and Investments | \$ 34,505,134 | | |

TOWN OF MENASHA

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

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 deposit accounts.

Bank and credit union 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 not been considered in computing custodial credit risk.

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, of which \$100,000 may be in cash. \$500,000 of the town's investments is covered by the SIPC.

Custodial Credit Risk

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

As of December 31, 2013, \$1,616,412 of the town's total bank and credit union balance was exposed to custodial credit risk as follows:

| | |
|--------------------------------|---------------------|
| Uninsured and uncollateralized | <u>\$ 1,616,412</u> |
|--------------------------------|---------------------|

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

As of December 31, 2013, the town's investments were exposed to custodial credit risk as follows:

| | |
|---|---------------------|
| U.S. Agencies | \$ 159,947 |
| Corporate Bonds | <u>3,245,195</u> |
| Neither Insured nor Registered and Held by Counterparty | <u>\$ 3,405,142</u> |

TOWN OF MENASHA

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

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

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

| Corporate Bonds | Standard & Poor's | Moody's Investor Service |
|------------------------------|----------------------|-----------------------------|
| General Electric Corporation | AA+ | A1 |
| Avondale Michigan Sch. Dist. | AA- | n/a |
| Barclays Bank PLC | n/a | A2 |
| Rabobank | AA- | Aa2 |

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

Local Government Investment Pool (LGIP)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2013, the investment portfolio was concentrated as follows:

| Issuer | Investment Type | Percentage of Portfolio |
|------------------------------|-----------------|----------------------------|
| General Electric Corporation | Corporate Bonds | 6.9% |
| Barclays Bank PLC | Corporate Bonds | 9.4% |
| Rabobank | Corporate Bonds | 7.6% |

Interest Rate Risk

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

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

| Investment Type | Fair Value | 1 Month to 1 Year | 1-3 Years | 4-6 Years |
|-----------------|--------------|----------------------|--------------|------------|
| U.S. Agencies | \$ 659,947 | \$ - | \$ 659,947 | \$ - |
| Corporate Bonds | 3,245,195 | 249,800 | 2,134,170 | 861,225 |
| Totals | \$ 3,905,142 | \$ 249,800 | \$ 2,794,117 | \$ 861,225 |

TOWN OF MENASHA

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

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

B. RECEIVABLES

All receivables are expected to be collectible within one year, except for special assessments of \$366,620 and loans receivable of \$100,000 in the governmental funds.

Governmental funds report *unavailable or 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:

| | <u>Unearned</u> | <u>Unavailable</u> |
|---|---------------------|--------------------|
| Property taxes receivable for subsequent year | \$ 8,721,790 | \$ - |
| Special assessments on tax roll | - | 104,707 |
| Special assessments not yet due | - | <u>366,620</u> |
| Total Unearned/Unavailable Revenue for Governmental Funds | <u>\$ 8,721,790</u> | <u>\$ 471,327</u> |

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.
- Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Depreciation – Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Construction – Used to report proceeds of revenue bond issuances that are restricted for use in construction.

Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

TOWN OF MENASHA

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

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2013:

| | Business-type Activities |
|-------------------------------|-----------------------------|
| Bond redemption account | \$ 822,855 |
| Bond reserve account | 1,442,005 |
| Bond depreciation account | 2,134,165 |
| Construction account | 336,903 |
| Equipment replacement account | 292,333 |
| Total Restricted Assets | \$ 5,028,261 |

D. CAPITAL ASSETS

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

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|-----------|-----------|-------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated/amortized | | | | |
| Land | \$ 30,028,031 | \$ - | \$ 188 | \$ 30,027,843 |
| Easements | 29,433 | 1,385 | - | 30,818 |
| Construction in progress | 101,958 | 1,344,730 | 29,658 | 1,417,030 |
| Total Capital Assets, Not Being Depreciated/ Amortized | 30,159,422 | 1,346,115 | 29,846 | 31,475,691 |
| Capital assets, being depreciated/ amortized | | | | |
| Land improvements | 239,667 | - | - | 239,667 |
| Buildings and improvements | 9,821,152 | - | - | 9,821,152 |
| Computer software | 198,529 | 7,007 | - | 205,536 |
| Computer equipment | 331,676 | - | - | 331,676 |
| Machinery and equipment | 3,552,333 | 247,243 | 46,790 | 3,752,786 |
| Vehicles | 3,567,890 | 397,186 | 223,545 | 3,741,531 |
| Roads | 25,262,316 | 168,709 | - | 25,431,025 |
| Trails | 3,004,841 | 35,691 | - | 3,040,532 |
| Total Capital Assets Being Depreciated/Amortized | 45,978,404 | 855,836 | 270,335 | 46,563,905 |

TOWN OF MENASHA

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

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

D. CAPITAL ASSETS (cont.)

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|-------------|-----------|-------------------|
| Less: Accumulated depreciation/ amortization for | | | | |
| Land improvements | \$ (48,607) | \$ (20,582) | \$ - | \$ (69,189) |
| Buildings and improvements | (3,268,645) | (272,520) | - | (3,541,165) |
| Computer software | (171,425) | (11,017) | - | (182,442) |
| Computer equipment | (197,754) | (11,810) | - | (209,564) |
| Machinery and equipment | (1,924,457) | (363,205) | 27,872 | (2,259,790) |
| Vehicles | (2,064,139) | (296,941) | 236,636 | (2,124,444) |
| Roads | (9,951,372) | (564,635) | 4,180 | (10,511,827) |
| Trails | (938,820) | (100,722) | 1,012 | (1,038,530) |
| Total Accumulated Depreciation/Amortization | (18,565,219) | (1,641,432) | 269,700 | (19,936,951) |
| Net Capital Assets Being Depreciated/Amortized | 27,413,185 | (785,596) | 635 | 26,626,954 |
| Total Governmental Activities Capital Assets, Net of Depreciation/Amortization | \$ 57,572,607 | \$ 560,519 | \$ 30,481 | \$ 58,102,645 |

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

| | |
|---|--------------|
| General government | \$ 181,279 |
| Public safety | 250,083 |
| Public works | 834,986 |
| Leisure activities | 375,084 |
| Total Governmental Activities Depreciation/Amortization Expense | \$ 1,641,432 |

TOWN OF MENASHA

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

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

D. CAPITAL ASSETS (cont.)

| Business-type Activities | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|-------------------|-------------------|----------------------|
| <u>Water</u> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 144,200 | \$ - | \$ - | \$ 144,200 |
| Construction in Progress | 5,099 | 3,110 | 5,099 | 3,110 |
| Total Capital Assets Not Being Depreciated | <u>\$ 149,299</u> | <u>\$ 3,110</u> | <u>\$ 5,099</u> | <u>\$ 147,310</u> |
| Capital assets being depreciated | | | | |
| Source of supply | \$ 2,361,778 | \$ - | \$ - | \$ 2,361,778 |
| Pumping | 965,924 | 26,607 | - | 992,531 |
| Treatment | 3,076,910 | - | - | 3,076,910 |
| Transmission and distribution | 29,195,439 | 734,241 | 241,775 | 29,687,905 |
| General | 2,083,498 | 121,316 | 42,224 | 2,162,590 |
| Total Capital Assets Being Depreciated | <u>\$ 37,683,549</u> | <u>\$ 882,164</u> | <u>\$ 283,999</u> | <u>\$ 38,281,714</u> |
| Total Capital Assets – Water | <u>\$ 37,832,848</u> | <u>\$ 885,274</u> | <u>\$ 289,098</u> | <u>\$ 38,429,024</u> |
| <u>Sewer</u> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 64,705 | \$ - | \$ - | \$ 64,705 |
| Construction in Progress | 5,923 | 18,342 | 5,923 | 18,342 |
| Total Capital Assets Not Being Depreciated | <u>\$ 70,628</u> | <u>\$ 18,342</u> | <u>\$ 5,923</u> | <u>\$ 83,047</u> |
| Capital assets being depreciated | | | | |
| Collection system | \$ 27,413,385 | \$ 699,615 | \$ 82,557 | \$ 28,030,443 |
| Collection system pumping | 1,464,336 | 8,325 | 5,386 | 1,467,275 |
| General | 1,094,686 | 65,082 | 39,897 | 1,119,871 |
| Total Capital Assets Being Depreciated | <u>\$ 29,972,407</u> | <u>\$ 773,022</u> | <u>\$ 127,840</u> | <u>\$ 30,617,589</u> |
| Total Capital Assets – Sewer | <u>\$ 30,043,035</u> | <u>\$ 791,364</u> | <u>\$ 133,763</u> | <u>\$ 30,700,636</u> |

TOWN OF MENASHA

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

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

D. CAPITAL ASSETS (cont.)

| Business-type Activities (cont.) | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|-------------------|---------------------------|
| <u>Stormwater</u> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 805,013 | \$ 184,880 | \$ - | \$ 989,893 |
| Construction in Progress | <u>883,804</u> | <u>449,725</u> | <u>-</u> | <u>1,333,529</u> |
| Total Capital Assets Not Being Depreciated | <u>\$ 1,688,817</u> | <u>\$ 634,605</u> | <u>\$ -</u> | <u>\$ 2,323,422</u> |
| Capital assets being depreciated | | | | |
| Storm sewer | \$ 12,701,723 | \$ 13,348 | \$ - | \$ 12,715,071 |
| Equipment | <u>590,449</u> | <u>40,428</u> | <u>-</u> | <u>630,877</u> |
| Total Capital Assets Being Depreciated | <u>\$ 13,292,172</u> | <u>\$ 53,776</u> | <u>\$ -</u> | <u>\$ 13,345,948</u> |
| Total Capital Assets – Stormwater | <u>\$ 14,980,989</u> | <u>\$ 688,381</u> | <u>\$ -</u> | <u>\$ 15,669,370</u> |
| Less: Accumulated depreciation for | | | | |
| <u>Water</u> | | | | |
| Source of supply | \$ (668,654) | \$ (63,590) | \$ - | \$ (732,244) |
| Pumping | (442,027) | (38,066) | - | (480,093) |
| Treatment | (2,059,795) | (100,066) | - | (2,159,861) |
| Transmission and distribution | (5,781,757) | (503,165) | 77,007 | (6,207,915) |
| General | <u>(954,898)</u> | <u>(85,968)</u> | <u>42,223</u> | <u>(998,643)</u> |
| Total Accumulated Depreciation – Water | <u>\$ (9,907,131)</u> | <u>\$ (790,855)</u> | <u>\$ 119,230</u> | <u>\$ (10,578,756)</u> |
| <u>Sewer</u> | | | | |
| Collection system | \$ (8,013,332) | \$ (287,960) | \$ 82,557 | \$ (8,218,735) |
| Collection system pumping | (881,706) | (59,608) | 5,386 | (935,928) |
| General | <u>(245,896)</u> | <u>(74,663)</u> | <u>39,897</u> | <u>(280,662)</u> |
| Total Accumulated Depreciation – Sewer | <u>\$ (9,140,934)</u> | <u>\$ (422,231)</u> | <u>\$ 127,840</u> | <u>\$ (9,435,325)</u> |

TOWN OF MENASHA

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

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

D. CAPITAL ASSETS (cont.)

| Business-type Activities (cont.) | Beginning Balance | Additions | Deletions | Ending Balance |
|--|------------------------|-----------------------|-------------------|------------------------|
| Less: Accumulated depreciation for <u>Stormwater</u> | | | | |
| Storm sewer | \$ (2,283,637) | \$ (209,196) | \$ - | \$ (2,492,833) |
| Equipment | (152,340) | (65,843) | - | (218,183) |
| Total Accumulated Depreciation - Stormwater | <u>\$ (2,435,977)</u> | <u>\$ (275,039)</u> | <u>\$ -</u> | <u>\$ (2,711,016)</u> |
| Total Business-type Activities Accumulated Depreciation | <u>\$ (21,484,042)</u> | <u>\$ (1,488,125)</u> | <u>\$ 247,070</u> | <u>\$ (22,725,097)</u> |
| Total Business-type Activities Capital Assets, Net of Depreciation | <u>\$ 61,372,830</u> | <u>\$ 876,564</u> | <u>\$ 175,461</u> | <u>\$ 62,073,933</u> |

Depreciation expense was charged to functions as follows:

Business-type Activities

| | |
|--|---------------------|
| Water | \$ 753,913 |
| Sewer | 459,171 |
| Stormwater | 275,037 |
| Total Business-type Activities Depreciation Expense | <u>\$ 1,488,121</u> |

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.

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

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

| Receivable Fund | Payable Fund | Amount |
|--|--------------|-------------------|
| General | Water | \$ 531,191 |
| Water | General | 156,406 |
| Water | Debt service | 8,045 |
| Sewer | General | 138,319 |
| Sewer | Debt service | 13,688 |
| Stormwater | General | 70,854 |
| Total – Fund Financial Statements | | 918,503 |
| Less: Fund eliminations | | (774,624) |
| Total Internal Balances – Current – Government-Wide Statement of Net Position | | <u>\$ 143,879</u> |

TOWN OF MENASHA

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

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

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

Interfund Receivables/Payables (cont.)

| Receivable Fund | Payable Fund | Amount |
|--|--------------------------|-------------------|
| Governmental Activities | Business-type Activities | \$ 531,191 |
| Business-type Activities | Governmental Activities | <u>(387,312)</u> |
| Total – Government-Wide Financial Statements | | <u>\$ 143,879</u> |

The principal purpose of these interfunds in general fund receivables is to provide cash until the fund is able to generate sufficient revenues to cover expenditures. 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. All amounts are expected to be repaid within one year.

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

Advances

The general fund advanced funds to the stormwater utility fund and is charging interest at a rate of 3.5%. No repayment schedule has been established. Interest costs on the advance are recorded as an expense of the stormwater utility when the expense is incurred.

The following is a schedule of advances:

| Receivable Fund | Payable Fund | Amount | Amount Not Due Within One Year |
|--|--------------|-------------------|--------------------------------|
| General | Stormwater | \$ 361,432 | \$ 261,432 |
| Total – Fund Financial Statements and Internal Balances – Advances – Government-Wide Financial Statements | | <u>\$ 361,432</u> | <u>\$ 261,432</u> |

The principal purpose of this advance is to finance costs incurred in the stormwater utility rather than borrowing externally.

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

TOWN OF MENASHA

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

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

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

Transfers

The following is a schedule of interfund transfers.

| Fund Transferred To | Fund Transferred From | Amount | Principal Purpose |
|--|------------------------------|------------|---|
| General | Debt service | \$ 599 | Expenditure reimbursement |
| General | Garbage collection/recycling | 146,965 | Expenditure reimbursement |
| General | Grants | 14,332 | Expenditure reimbursement |
| General | Other special revenue | 8,166 | Expenditure reimbursement |
| General | Capital projects | 100,000 | Road resurfacing borrowing |
| General | Water | 531,191 | Payment in lieu of taxes |
| General | Water | 18,645 | Municipal complex rent |
| General | Sewer | 18,645 | Municipal complex rent |
| General | Stormwater | 37,290 | Municipal complex rent |
| General | Stormwater | 27,064 | Expenditure reimbursement |
| Debt service | Garbage collection/recycling | 64,044 | Share of debt service |
| Debt service | Other special revenue | 24,882 | Expenditure reimbursement |
| Capital projects | General | 49,769 | Budget transfer |
| Equipment replacement | General | 526,113 | Transfers to the equipment replacement fund |
| Water | Debt service | 8,045 | Special assessment reimbursement |
| Sewer | Debt service | 13,688 | Special assessment reimbursement |
| Total – Fund Financial Statements | | 1,589,438 | |
| Less: Fund Eliminations | | (978,336) | |
| Total Transfers– Government-Wide Statement of Activities | | \$ 611,102 | |
| Fund Transferred To | Fund Transferred From | Amount | |
| Governmental Activities | Business-type Activities | \$ 632,835 | |
| Business-type Activities | Governmental Activities | (21,733) | |
| Total – Government-Wide Financial Statements | | \$ 611,102 | |

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.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

TOWN OF MENASHA

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

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

F. LONG-TERM OBLIGATIONS

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

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---|----------------------|--------------|--------------|-------------------|-----------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Bonds and Notes Payable | | | | | |
| General obligation debt | \$ 10,737,429 | \$ 3,553,090 | \$ 3,847,849 | \$ 10,442,670 | \$ 1,855,873 |
| Premiums | 44,242 | 109,431 | 5,694 | 147,979 | - |
| Sub-Totals | 10,781,671 | 3,662,521 | 3,853,543 | 10,590,649 | 1,855,873 |
| Other Liabilities | | | | | |
| Vested compensated absences | 577,340 | 431,576 | 333,537 | 675,379 | 368,952 |
| Total Governmental Activities Long-Term Liabilities | \$ 11,359,011 | \$ 4,094,097 | \$ 4,187,080 | \$ 11,266,028 | \$ 2,224,825 |
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Bonds and Notes Payable | | | | | |
| General obligation debt | \$ 6,932,155 | \$ 3,321,061 | \$ 577,931 | \$ 9,675,285 | \$ 707,715 |
| Revenue bonds | 20,261,587 | - | 1,305,554 | 18,956,033 | 1,352,926 |
| Discounts | (41,424) | - | (6,350) | (35,074) | - |
| Premiums | 144,842 | - | 23,729 | 121,113 | - |
| Total Bonds and Notes Payable | 27,297,160 | 3,321,061 | 1,900,864 | 28,717,357 | 2,060,641 |
| Other Liabilities | | | | | |
| Vested compensated absences | 317,774 | 164,830 | 154,774 | 327,830 | 214,944 |
| Customer advances for construction | 67,880 | - | 37,870 | 30,010 | - |
| Total Other Liabilities | 385,654 | 164,830 | 192,644 | 357,840 | 214,944 |
| Total Business-type Activities Long-Term Liabilities | \$ 27,682,814 | \$ 3,485,891 | \$ 2,093,508 | \$ 29,075,197 | \$ 2,275,585 |

In accordance with Wisconsin Statutes, total general obligation indebtedness of the town may not exceed 5% of the equalized value of taxable property within the town's jurisdiction. The debt limit as of December 31, 2013, was \$69,713,765. Total general obligation debt outstanding at year end was \$20,117,955.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the town. Notes and bonds in the governmental funds will be retired by future property tax levies 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.

TOWN OF MENASHA

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

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

| | Date of Issue | Final Maturity | Interest Rates | Original Indebted- Ness | Balance 12/31/13 |
|---|------------------|-------------------|-------------------|-------------------------------|----------------------|
| Governmental Activities | | | | | |
| General Obligation Debt | | | | | |
| 2006 General Obligation Promissory Notes | 7/17/06 | 4/1/16 | 4.00-5.00% | \$ 5,787,949 | \$ 880,241 |
| 2007 General Obligation Promissory Notes | 4/2/07 | 4/1/17 | 3.75-3.80% | 1,770,000 | 1,175,000 |
| 2008 General Obligation Promissory Notes | 5/21/08 | 4/1/18 | 3.50-3.60% | 298,734 | 222,567 |
| 2009 State Trust Fund/BAB | 12/1/09 | 3/15/19 | 4.50%* | 916,160 | 608,938 |
| 2010 State Trust Fund/BAB | 12/28/10 | 3/15/20 | 3.75%* | 2,885,120 | 2,257,834 |
| 2011 General Obligation Promissory Notes | 4/29/11 | 4/29/16 | 1.60% | 100,000 | 100,000 |
| 2012 General Obligation Promissory Notes | 11/13/12 | 10/1/22 | 1.00-2.00% | 1,645,000 | 1,645,000 |
| 2013 General Obligation Promissory Notes | 10/1/13 | 4/1/23 | 2.00-3.00% | 3,553,090 | 3,553,090 |
| Total Governmental Activities – General Obligation Debt | | | | | <u>\$ 10,442,670</u> |
| Business-type Activities | | | | | |
| General Obligation Debt | | | | | |
| 1994 General Obligation Promissory Notes | 11/30/94 | 5/1/14 | 3.19% | \$ 1,641,980 | \$ 109,442 |
| 2006 General Obligation Promissory Notes | 7/17/06 | 4/1/16 | 4.00-5.00% | 97,051 | 14,760 |
| 2008 General Obligation Promissory Notes | 5/21/08 | 4/1/18 | 3.50-3.60% | ,211,266 | 902,433 |
| 2010 Clean Water Fund Loan | 1/13/10 | 5/1/29 | 3.153% | 1,715,986 | 1,510,135 |
| 2010 State Trust Fund/BAB | 12/28/10 | 3/15/29 | 3.75%* | 2,373,875 | 2,092,454 |
| 2012 General Obligation Promissory Notes | 11/13/12 | 4/1/22 | 1.00 – 2.00% | 1,725,000 | 1,725,000 |
| 2013 Clean Water Fund Loan** | 2/13/13 | 5/1/32 | 2.65% | 3,289,151 | 3,289,151 |
| 2013 General Obligation Promissory Notes | 10/1/13 | 4/1/23 | 2.00 – 3.00% | 31,910 | 31,910 |
| Total Business-type Activities General Obligation Debt | | | | | <u>\$ 9,675,285</u> |

* The interest on this debt is being subsidized by the federal government Build America Bonds program. The net interest rate on the 2009 and 2010 debt is less than the amount stated. The Bonds result in an interest rate subsidy. This interest rate subsidy effectively reduces the stated interest rates of 4.50% to 2.93% for the 2009 loan and 3.75% to 2.44% for the 2010 loan. Over the repayment terms of the loan, the federal government will reimburse the town for roughly 33% of the interest due on its State Trust Fund loans on an annual basis, based on the latest Federal cuts.

** The proceeds of the 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 Neenah-Menasha Sewerage Commission under an agency agreement. The debt service is then recovered by Neenah-Menasha Sewerage Commission as part of its annual use charges. The resulting "Advance to Neenah-Menasha Sewerage Commission" and "General Obligation Bonds" of a like amount has been recorded by the Town of Menasha Sewer Utility and will be reduced as payments are made.

TOWN OF MENASHA

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

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

| Years | Governmental Activities General Obligation Debt | | Business-type Activities General Obligation Debt | |
|-----------|--|---------------------|---|---------------------|
| | Principal | Interest | Principal | Interest |
| 2014 | \$ 1,855,873 | \$ 364,885 | \$ 707,715 | \$ 299,495 |
| 2015 | 1,908,742 | 231,759 | 508,560 | 279,826 |
| 2016 | 1,866,892 | 179,681 | 526,330 | 262,162 |
| 2017 | 1,187,147 | 134,685 | 784,223 | 241,608 |
| 2018 | 891,634 | 101,264 | 804,915 | 218,064 |
| 2019-2023 | 2,732,382 | 154,596 | 3,014,435 | 879,386 |
| 2024-2028 | - | - | 2,212,648 | 390,832 |
| 2029-2032 | - | - | 1,116,459 | 54,944 |
| Totals | <u>\$ 10,442,670</u> | <u>\$ 1,166,870</u> | <u>\$ 9,675,285</u> | <u>\$ 2,626,317</u> |

Advance Refunding

On October 1, 2013, the town issued \$3,585,000 in general obligation notes with an average coupon rate of 2.33% to advance refund \$1,910,000 of outstanding notes with an average coupon rate of 4.00%, and provide \$1,650,000 for future projects. The net proceeds along with existing funds of the town were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded notes. The town remains responsible for \$1,866,600 of future principal and interest payments of the old notes. As a result, a portion of the refunded notes are considered defeased and that portion of the liability for those notes has been removed from the statement of net position.

The cash flow requirements on the refunded debt prior to the advance refunding was \$3,930,200 from 2013 through 2016. The cash flow requirements on the 2013 refunding bonds are \$3,878,650 from 2013 through 2016. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$53,178.

Revenue Debt

Business-type activities revenue bonds are payable from revenues derived from operations of the water utility and sewer utility.

The water and sewer utilities have pledged future revenues, net of specified operating expenses, to repay revenue bonds issued. Proceeds from the bonds provided financing for capital assets. The bonds are payable solely from revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 21% of water gross revenues and 14% of sewer gross revenues. The total principal and interest remaining to be paid on the bonds is \$23,467,033. Principal and interest paid for the current year and total customer gross revenues were \$1,848,739 and \$8,562,907, respectively.

TOWN OF MENASHA

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

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

Business-type Activities Revenue Debt

| <u>Water Utility</u> | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebted- Ness</u> | <u>Balance 12/31/13</u> |
|--|----------------------|-----------------------|-----------------------|------------------------------------|-----------------------------|
| 2004 Revenue Bonds | 4/14/04 | 5/1/23 | 3.9789% | \$ 2,526,230 | \$ 1,549,198 |
| 2005 Revenue Bonds | 6/1/05 | 5/1/25 | 3.25 - 4.50% | 2,780,717 | 1,948,051 |
| 2005 Revenue Bonds | 12/15/05 | 5/1/25 | 4.00 - 4.25% | 2,176,551 | 1,562,828 |
| 2007 Revenue Bonds | 4/1/07 | 5/1/27 | 3.70 - 4.25% | 1,983,529 | 1,591,931 |
| 2008 Revenue Bonds | 5/21/08 | 5/1/28 | 2.80 - 4.50% | 1,805,000 | 1,510,000 |
| 2012 Revenue Bonds | 7/2/12 | 5/1/21 | 2.00 - 3.00% | 1,367,863 | 1,232,687 |
| | | | | Total Water Utility | <u>9,394,695</u> |
| | | | | | |
| <u>Sewer Utility</u> | | | | | |
| 2004 Revenue Bonds | 3/10/04 | 5/1/23 | 3.9789% | 1,248,770 | 765,802 |
| 2004 Revenue Bonds* | 4/14/04 | 5/1/23 | 3.9789% | 1,595,338 | 204,450 |
| 2005 Revenue Bonds | 6/1/05 | 5/1/25 | 3.25 - 4.50% | 809,283 | 566,949 |
| 2005 Revenue Bonds | 12/15/05 | 5/1/25 | 4.00 - 4.25% | 2,593,449 | 1,862,173 |
| 2007 Revenue Bonds | 4/1/07 | 5/1/27 | 3.70 - 4.25% | 346,471 | 278,069 |
| 2009 Revenue Bonds* | 11/25/09 | 5/1/29 | 2.67% | 5,710,879 | 5,201,581 |
| 2012 Revenue Bonds | 7/2/12 | 5/1/21 | 2.00 - 3.00% | 757,137 | 682,314 |
| | | | | Total Sewer Utility | <u>9,561,338</u> |
| Total Business-type Activities Revenue Debt | | | | | <u>\$ 18,956,033</u> |

* The proceeds of the 2004 and 2009 sewer bonds were paid directly to Grand Chute – Menasha West Sewerage Commission for expansion of the regional plant. Principal and interest payments on this debt will be paid by Grand Chute – Menasha West Sewerage Commission under an agency agreement. The debt service is then recovered by Grand Chute – Menasha West as part of its annual use charges. The resulting “Advance to Grand Chute – Menasha West Treatment Plant” and “Revenue Bonds” of a like amount have been recorded by the Town of Menasha Sewer Utility and will be reduced as payments are made.

TOWN OF MENASHA

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

| <u>Years</u> | Business-type Activities Revenue Debt | | |
|--------------|--|--------------|---------------|
| | Principal | Interest | Totals |
| 2014 | \$ 1,352,926 | \$ 648,007 | \$ 2,000,933 |
| 2015 | 1,405,489 | 603,018 | 2,008,507 |
| 2016 | 1,448,254 | 555,842 | 2,004,096 |
| 2017 | 1,506,229 | 505,127 | 2,011,356 |
| 2018 | 1,558,480 | 450,574 | 2,009,054 |
| 2019-2023 | 7,353,664 | 1,403,276 | 8,756,940 |
| 2024-2028 | 3,937,814 | 339,911 | 4,277,725 |
| 2029 | 393,177 | 5,245 | 398,422 |
| Totals | \$ 18,956,033 | \$ 4,511,000 | \$ 23,467,033 |

Capital Leases

Refer to Note IV. G.

Other Debt Information

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

G. LEASE DISCLOSURES

Lessee – Capital Leases

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

Lessee – Operating Leases

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

TOWN OF MENASHA

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

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

G. LEASE DISCLOSURES (cont.)

Lessor – Capital Leases

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

Lessor – Operating Leases

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

H. NET POSITION/FUND BALANCES

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

Governmental Activities

| | |
|---|-------------------|
| Net investment in capital assets | |
| Capital assets, net of accumulated depreciation | \$ 58,102,645 |
| Less: Long-term debt outstanding | (10,442,670) |
| Plus: Unspent capital related debt proceeds | 106,372 |
| Plus: Noncapital debt proceeds | 100,000 |
| Less: Unamortized debt premium | (147,979) |
| Total Net Investment in Capital Assets | <u>47,718,368</u> |
| Restricted | |
| General Government | |
| Santa float | <u>1,455</u> |
| Public Safety | |
| GREAT | 789 |
| Public protection | 30,369 |
| PD national night out | 6,695 |
| PD neighborhood watch | 426 |
| PD community relations | 653 |
| PD equitable sharing | 1,401 |
| K-9 unit | 1,000 |
| Fire safety house | 1,910 |
| FD citizen academy | 315 |
| FD safety day | 1,030 |
| FD safety hunt | 815 |
| FD public education | 104 |
| Fire thermal image camera | 2,321 |
| Fire defibrillators | 137 |
| First responders | 474 |
| Annual car event | 555 |
| Total Public Safety | <u>48,994</u> |
| Public Works | |
| Garbage collection | <u>342,288</u> |

TOWN OF MENASHA

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

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

| | |
|--|----------------------|
| Leisure Activities | |
| Park improvements | \$ 4,870 |
| PALS | 345 |
| Friends of the park | 7,011 |
| Disc golf | 26,043 |
| Round up program | 477 |
| Dance competition | 234 |
| Boat trailer parking fees | 8,029 |
| Indian mound | 207 |
| Tree planting | 1,819 |
| Trail donations | 54 |
| Special events | 2,625 |
| Total Leisure Activities | <u>51,714</u> |
| Community Development | |
| Directional signage | 2,786 |
| Sustainability | 4,948 |
| Total Community Development | <u>7,734</u> |
| Total Restricted | <u>452,185</u> |
| Unrestricted | <u>9,869,534</u> |
| Total Governmental Activities Net Position | <u>\$ 58,040,087</u> |

TOWN OF MENASHA

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

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

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

| | General Fund | Debt Service Fund | Capital Projects Fund | Equipment Replacement Fund | Nonmajor Funds | Totals |
|------------------------------------|---------------------|----------------------|-----------------------------|----------------------------------|-------------------|----------------------|
| FUND BALANCES | | | | | | |
| Nonspendable | | | | | | |
| Delinquent personal property taxes | \$ 4,367 | \$ - | \$ - | \$ - | \$ - | \$ 4,367 |
| Prepaid insurance | 63,949 | - | - | - | - | 63,949 |
| Advance to stormwater utility | 361,432 | - | - | - | - | 361,432 |
| Restricted for | | | | | | |
| Debt service | - | 48,542 | 60,889 | - | - | 109,431 |
| Capital projects | - | - | 106,372 | - | - | 106,372 |
| Equitable sharing | - | - | - | - | 1,400 | 1,400 |
| Garbage collection/recycling | - | - | - | - | 342,288 | 342,288 |
| Public protection | - | - | - | - | 30,368 | 30,368 |
| Other special purposes | - | 100,000 | - | - | 78,129 | 178,129 |
| Committed to | | | | | | |
| Stabilization funds | 1,916,422 | - | - | - | - | 1,916,422 |
| Assigned to | | | | | | |
| Accrued sick leave and vacation | 675,379 | - | - | - | - | 675,379 |
| Carry forward appropriations | 410,779 | - | - | - | - | 410,779 |
| Payment in lieu of taxes | 531,191 | - | - | - | - | 531,191 |
| Debt service | - | 719,998 | - | - | - | 719,998 |
| Capital projects | - | - | 679,277 | - | - | 679,277 |
| Equipment replacement | - | - | - | 2,641,424 | - | 2,641,424 |
| Unassigned | 2,117,772 | - | - | - | - | 2,117,772 |
| Total Fund Balances | \$ 6,081,291 | \$ 868,540 | \$ 846,538 | \$ 2,641,424 | \$ 452,185 | \$ 10,889,978 |

TOWN OF MENASHA

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

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

The following calculation supports the water utility's balance of net investment in capital assets:

Water Utility

| | |
|---|----------------------|
| Plant in service | \$ 38,425,914 |
| Construction work in progress | 3,110 |
| Accumulated depreciation | <u>(10,578,756)</u> |
| Sub-Total | <u>27,850,268</u> |
| Less: Related long-term debt outstanding | |
| Current portion of general obligation debt | 108,422 |
| Current portion of revenue bonds | 733,603 |
| General obligation debt | 2,004,501 |
| Revenue bonds | 8,661,092 |
| Unamortized debt premium | 44,755 |
| Unamortized loss on advance refunding and debt discount | <u>(34,794)</u> |
| Sub-Total | <u>11,517,579</u> |
| Add: Unspent debt proceeds | |
| Reserve from borrowing | <u>1,003,924</u> |
| Net Investment in Capital Assets | <u>\$ 17,336,613</u> |

The following calculation supports the sewer utility's balance of net investment in capital assets:

Sewer Utility

| | |
|--|----------------------|
| Plant in service | \$ 30,682,294 |
| Construction work in progress | 18,342 |
| Accumulated depreciation | <u>(9,435,325)</u> |
| Sub-Total | <u>21,265,311</u> |
| Less: Related long-term debt outstanding | |
| Current portion of general obligation debt | 117,912 |
| Current portion of revenue bonds | 336,397 |
| General obligation debt (invested in capital assets) | 17,729 |
| Revenue bonds (invested in capital assets) | 3,818,911 |
| Unamortized debt premium | 24,733 |
| Unamortized debt discount | <u>(8,246)</u> |
| Sub-Total | <u>4,307,436</u> |
| Add: Unspent debt proceeds | |
| Reserve from borrowing | <u>438,081</u> |
| Total Net Investment in Capital Assets | <u>\$ 17,395,956</u> |

TOWN OF MENASHA

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

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities (cont.)

The following calculation supports the stormwater utility's balance of net investment in capital assets:

Stormwater Utility

| | |
|---|---------------------|
| Plant in service | \$ 14,335,841 |
| Construction work in progress | 1,333,529 |
| Accumulated depreciation | <u>(2,711,016)</u> |
| Sub-Total | <u>12,958,354</u> |
| Less: Related long-term debt outstanding | |
| Current portion of general obligation debt | 345,919 |
| General obligation debt | 3,791,651 |
| Unamortized debt premium | <u>51,625</u> |
| Sub-Total | <u>4,189,195</u> |
| Add: Unspent debt proceeds | |
| Reserve from borrowing – construction funds | <u>336,903</u> |
| Total Net Investment in Capital Assets | <u>\$ 9,106,062</u> |

The following calculation supports the amount of restricted net position:

Water Utility

| | |
|--|--------------------|
| Restricted Assets | |
| Redemption account | \$ 574,580 |
| Reserve account | 1,003,924 |
| Depreciation account | <u>319,797</u> |
| Total Restricted Assets | <u>1,898,301</u> |
| Less: Restricted Assets Not Funded by Revenues | |
| Reserve from borrowing | <u>(1,003,924)</u> |
| Less: Current liabilities payable from restricted assets | <u>(60,781)</u> |
| Total Restricted Net Position | <u>\$ 833,596</u> |

Purpose of Restricted Net Position:

| | |
|-------------------------------|-------------------|
| Debt service | \$ 513,799 |
| Depreciation account | <u>319,797</u> |
| Total Restricted Net Position | <u>\$ 833,596</u> |

TOWN OF MENASHA

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

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities (cont.)

Sewer Utility

| | | |
|--|----|---------------------|
| Restricted Assets | | |
| Redemption account | \$ | 248,275 |
| Reserve account | | 438,081 |
| Depreciation account | | 1,814,368 |
| Replacement account | | 292,333 |
| Total Restricted Assets | | <u>2,793,057</u> |
| Less: Restricted Assets Not Funded by Revenues | | |
| Reserve from borrowing | | <u>(438,081)</u> |
| Less: Current liabilities payable from restricted assets | | <u>(26,554)</u> |
| Total Restricted Net Position | | <u>\$ 2,328,422</u> |
| Purpose of Restricted Net Position: | | |
| Reserve account | \$ | 221,721 |
| Depreciation account | | 1,814,368 |
| Replacement account | | 292,333 |
| Total Restricted Net Position | \$ | <u>2,328,422</u> |

I. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which requires debt issuance costs to be expensed in the period incurred. These costs were previously required to be capitalized. The details of this restatement are as follows:

| | Water Utility | Sewer Utility | Stormwater Utility | Business-type Activities |
|---|----------------------|----------------------|----------------------|--------------------------|
| Net Position – December 31, 2012 (as reported) | \$ 19,687,987 | \$ 21,791,689 | \$ 10,627,365 | \$ 52,107,041 |
| Less: Unamortized debt issuance costs | <u>92,454</u> | <u>34,583</u> | <u>40,747</u> | <u>167,784</u> |
| Net Position – Decemer 31, 2012 (as restated) | <u>\$ 19,595,533</u> | <u>\$ 21,757,106</u> | <u>\$ 10,586,618</u> | <u>\$ 51,939,257</u> |

TOWN OF MENASHA

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

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective employees are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for December 31, 2013 are:

| | <u>Employee</u> | <u>Employer</u> |
|------------------------------------|-----------------|-----------------|
| General | 6.65% | 6.65% |
| Executives and Elected Officials | 7.00% | 7.00% |
| Protective with Social Security | 6.65% | 15.15% |
| Protective without Social Security | 6.65% | 17.75% |

The payroll for town employees covered by the WRS for the year ended December 31, 2013 was \$4,911,048; the employer's total payroll was \$4,973,298. The total required contribution for the year ended December 31, 2013 was \$832,448 or 17.0 percent of covered payroll. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ending December 31, 2012 and 2011 were \$751,853 and \$720,960, respectively, equal to the required contributions for each year.

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

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

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

TOWN OF MENASHA

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters Annuity Fund

The Town of Menasha Fire Department Benefit Plan was established January 1, 1990, to permit eligible paid per-call firefighters to contribute not less than \$15 per month and up to the Internal Revenue Service Code limit for the purchase of individual annuity contracts which satisfy the requirements of Section 457(b) of the Internal Revenue Code. The town will match the employee contributions up to \$15 per calendar month. The Town of Menasha's contributions were \$2,340, \$3,075, and \$3,600, for the years ended December 31, 2013, 2012, and 2011, respectively.

B. RISK MANAGEMENT

The town 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. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

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 are 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 town 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 town's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the town's financial position or results of operations.

The town 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 grants. Management believes such disallowances, if any, would be immaterial.

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

The town has received various claims for excessive assessments. The town will be vigorously contesting each claim. The amount ultimately owed by the town cannot be estimated at this time.

TOWN OF MENASHA

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

NOTE V – OTHER INFORMATION (cont.)

D. WATER AND SEWER UTILITIES BOND COVENANT DISCLOSURES

Number of Customers

The utilities served the following number of customers at December 31, 2013:

| | |
|------------------|-------|
| Residential | 7,485 |
| Commercial | 955 |
| Industrial | 24 |
| Public authority | 21 |
| Total | 8,485 |

Insurance Coverage

The water and sewer utilities were covered under the following insurance at December 31, 2013:

| <u>Type</u> | <u>Policy Number</u> | <u>Coverage</u> |
|----------------------------------|----------------------|-----------------|
| Workers Compensation | BATWC1124009 | Statutory |
| General Liability | TGL2710813 | \$ 3,000,000 |
| Fire General Liability | TGL2710813 | 3,000,000 |
| Public Officials Bond | TGL2710813 | 3,000,000 |
| Automobile Liability | TGL2710813 | 3,000,000 |
| Public Employees Dishonesty Bond | CCP006080308 | 500,000 |
| Personal property | S1904188 | 28,768,367 |
| Boiler and Machinery | 179E05145-13-01 | 28,768,367 |
| Auto Physical and Comprehensive | S1904188 | 5,201,838 |

Debt Coverage – Water Utility and Sewer Utility

The resolution requires that earnings from the system be greater than 1.25 times the revenue bond annual debt service based on the bond year. The coverage requirement was met as follows:

| | |
|---|--------------|
| Operating revenues | \$ 8,562,907 |
| Investment income | 39,940 |
| Less: Operation and maintenance expenses | (5,154,558) |
| Computed Net Earnings | \$ 3,448,289 |
| Subsequent year revenue bond debt service | \$ 2,000,933 |
| Less: GCMW debt service not subject to coverage | (423,296) |
| Total debt service subject to coverage | 1,577,637 |
| Coverage factor required by resolution | x 1.25 |
| Required Net Earnings | \$ 1,972,046 |

The utilities have met their debt coverage for 2013.

TOWN OF MENASHA

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

NOTE V – OTHER INFORMATION (cont.)

E. LONG-TERM CONTRACTS

Wastewater is treated under agreements between the sewer utility and the Neenah-Menasha Sewerage Commission and the Grand Chute Menasha West Sewerage Commission. In 1980, the sewer utility entered into a contract with Neenah-Menasha Sewerage Commission. Amendments were made in 1981 stating municipalities could withdraw, upon two years' notice to the Commission and to each of the other contracting municipalities, from the contract at any time after twenty-five (25) years from the date of the contract and after full payment of all obligations of the Neenah-Menasha Sewerage Commission. The contract between the sewer utility and the Grand Chute Menasha West Sewerage Commission was revised during 2008. The revised contract states municipalities could withdraw, upon two years' notice to the Commission and to each of the other contract municipalities, from the contract at any time after fifty (50) years from the date of the contract and after full payment of all obligations of the Neenah-Menasha Sewerage Commission.

The water utility has a long-term agreement with the City of Menasha Water Utility to purchase a portion of its water supply.

F. ECONOMIC DEPENDENCY

The water utility had one significant customer who was responsible for 10% of operating revenues in 2013.

G. SUBSEQUENT EVENTS

Debt Issue

On February 3, 2014 the town, on behalf of the water and sewer utilities, issued \$2,110,000 of Revenue Refunding bonds to pay off \$2,125,000 of the 2004 Revenue Bonds on May 1, 2014. The debt is payable over 10 years and bears a net interest rate of 1.9314%.

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

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

- > Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
- > Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MENASHA

GENERAL FUND

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

For the Year Ended December 31, 2013

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| TAXES | | | | |
| Local tax levy | \$ 5,968,376 | \$ 5,968,376 | \$ 5,934,666 | \$ (33,710) |
| Mobile home taxes | 63,500 | 63,500 | 62,182 | (1,318) |
| Other taxes | 500 | 500 | 1,970 | 1,470 |
| TOTALS | \$ 6,032,376 | \$ 6,032,376 | \$ 5,998,818 | \$ (33,558) |
| INTERGOVERNMENTAL REVENUES | | | | |
| State aid - shared taxes | \$ 337,411 | \$ 337,411 | \$ 341,852 | \$ 4,441 |
| State aid - computer exempt | 197,000 | 197,000 | 208,399 | 11,399 |
| State aid - fire insurance dues distribution | 50,882 | 50,882 | 49,616 | (1,266) |
| State aid - general transportation | 527,270 | 527,270 | 526,962 | (308) |
| State aid - other transportation | 71,257 | 71,257 | 62,882 | (8,375) |
| State aid - other | 59,112 | 59,112 | 54,597 | (4,515) |
| Federal aid - other | 100,047 | 118,647 | 127,382 | 8,735 |
| TOTALS | \$ 1,342,979 | \$ 1,361,579 | \$ 1,371,690 | \$ 10,111 |
| LICENSES AND PERMITS | | | | |
| Tavern operators licenses | \$ 12,300 | \$ 12,300 | \$ 11,860 | \$ (440) |
| Liquor and malt beverage licenses | 3,000 | 3,000 | 3,778 | 778 |
| Cigarette licenses | 1,300 | 1,300 | 1,200 | (100) |
| Mobile home park | 700 | 700 | 700 | - |
| Dog and cat licenses | 9,900 | 9,900 | 10,109 | 209 |
| Cable TV franchise fee | 235,000 | 235,000 | 241,612 | 6,612 |
| Other miscellaneous licenses | 915 | 915 | 1,465 | 550 |
| Amusement licenses | 2,900 | 2,900 | 3,550 | 650 |
| Building permits | 75,000 | 75,000 | 81,918 | 6,918 |
| Electrical permits | 20,000 | 21,375 | 27,248 | 5,873 |
| Plumbing permits | 10,000 | 10,000 | 15,673 | 5,673 |
| Heating permits | 15,000 | 15,000 | 15,444 | 444 |
| Sign permits | 2,500 | 2,500 | 2,850 | 350 |
| State permits | 2,700 | 2,700 | 3,060 | 360 |
| Zoning permits | 16,000 | 16,000 | 15,194 | (806) |
| Tank inspection | 4,000 | 4,000 | 3,946 | (54) |
| Non-metallic mining permit | 3,912 | 3,912 | 3,912 | - |
| Fire protection permits | 750 | 750 | 665 | (85) |
| Street excavation | 1,450 | 1,450 | 4,075 | 2,625 |
| TOTALS | \$ 417,327 | \$ 418,702 | \$ 448,259 | \$ 29,557 |

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

TOWN OF MENASHAGENERAL FUND
DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
For the Year Ended December 31, 2013

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| FINES, FORFEITURES AND PENALTIES | | | | |
| Court penalties and costs | \$ 156,000 | \$ 156,487 | \$ 178,781 | \$ 22,294 |
| Parking violations | 9,000 | 9,000 | 13,938 | 4,938 |
| Other | 7,150 | 7,150 | 8,527 | 1,377 |
| TOTALS | <u>\$ 172,150</u> | <u>\$ 172,637</u> | <u>\$ 201,246</u> | <u>\$ 28,609</u> |
| PUBLIC CHARGES FOR SERVICES | | | | |
| Real estate inquiries | \$ 12,000 | \$ 12,000 | \$ 13,410 | \$ 1,410 |
| License publication fees | 1,540 | 1,540 | 1,485 | (55) |
| Weed control fees | 1,200 | 1,200 | 475 | (725) |
| Copying fees | 225 | 225 | 167 | (58) |
| Copy fees-police | 1,600 | 1,600 | 928 | (672) |
| Copy fees-fire | 25 | 25 | 26 | 1 |
| Parks | 12,484 | 12,484 | 11,030 | (1,454) |
| Recreation | 68,923 | 68,923 | 79,533 | 10,610 |
| False alarm fees-police | 900 | 900 | 900 | - |
| False alarm fees-fire | 2,500 | 2,500 | 2,376 | (124) |
| Fire services-prevention visits | 750 | 750 | 275 | (475) |
| Fire services-vehicle response | 12,000 | 12,000 | 15,124 | 3,124 |
| Other | 16,458 | 16,458 | 16,703 | 245 |
| TOTALS | <u>\$ 130,605</u> | <u>\$ 130,605</u> | <u>\$ 142,432</u> | <u>\$ 11,827</u> |
| SPECIAL ASSESSMENTS | | | | |
| Special assessments | \$ 16,623 | \$ 16,623 | \$ 13,806 | \$ (2,817) |
| INVESTMENT INCOME | | | | |
| Investment income | \$ 50,000 | \$ 50,000 | \$ 38,589 | \$ (11,411) |
| MISCELLANEOUS REVENUES | | | | |
| Sale of town property | \$ 1,700 | \$ 1,700 | \$ 1,820 | \$ 120 |
| Rental income | 66,260 | 66,260 | 68,866 | 2,606 |
| Miscellaneous | 13,900 | 13,900 | 46,900 | 33,000 |
| TOTALS | <u>\$ 81,860</u> | <u>\$ 81,860</u> | <u>\$ 117,586</u> | <u>\$ 35,726</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in - payment in lieu of taxes | \$ 500,000 | \$ 500,000 | \$ 531,191 | \$ 31,191 |
| Transfers in - other funds | 297,538 | 409,198 | 371,706 | (37,492) |
| TOTALS | <u>\$ 797,538</u> | <u>\$ 909,198</u> | <u>\$ 902,897</u> | <u>\$ (6,301)</u> |
| TOTAL GENERAL FUND REVENUES & OTHER FINANCING SOURCES | <u>\$ 9,041,458</u> | <u>\$ 9,173,580</u> | <u>\$ 9,235,323</u> | <u>\$ 61,743</u> |

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

TOWN OF MENASHA

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

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---------------------------|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| GENERAL GOVERNMENT | | | | |
| Town board | \$ 40,991 | \$ 40,991 | \$ 34,768 | \$ 6,223 |
| Administrator | 252,186 | 252,186 | 148,861 | 103,325 |
| Town clerk | 78,529 | 78,529 | 76,077 | 2,452 |
| Finance | 270,876 | 270,876 | 214,497 | 56,379 |
| Elections | 12,640 | 12,640 | 10,813 | 1,827 |
| Data processing | 255,815 | 255,815 | 250,206 | 5,609 |
| Assessor | 146,384 | 146,384 | 112,585 | 33,799 |
| Municipal complex | 227,923 | 230,853 | 230,853 | - |
| Legal counsel | 91,904 | 91,904 | 65,807 | 26,097 |
| Judicial | 92,480 | 92,967 | 92,967 | - |
| Other general government | 255,825 | 218,767 | 162,190 | 56,577 |
| TOTALS | <u>\$ 1,725,553</u> | <u>\$ 1,691,912</u> | <u>\$ 1,399,624</u> | <u>\$ 292,288</u> |
| PUBLIC SAFETY | | | | |
| Police | \$ 3,195,685 | \$ 3,217,492 | \$ 3,163,098 | \$ 54,394 |
| Fire | 930,918 | 934,918 | 876,485 | 58,433 |
| Inspections | 142,872 | 144,247 | 144,247 | - |
| TOTALS | <u>\$ 4,269,475</u> | <u>\$ 4,296,657</u> | <u>\$ 4,183,830</u> | <u>\$ 112,827</u> |
| PUBLIC WORKS | | | | |
| Engineering | \$ 25,500 | \$ 34,351 | \$ 34,351 | \$ - |
| Street maintenance | 1,659,068 | 1,890,860 | 1,890,860 | - |
| Transportation services | 230,000 | 230,000 | 199,142 | 30,858 |
| Weed and nuisance | 1,200 | 1,200 | 336 | 864 |
| TOTALS | <u>\$ 1,915,768</u> | <u>\$ 2,156,411</u> | <u>\$ 2,124,689</u> | <u>\$ 31,722</u> |
| LEISURE ACTIVITIES | | | | |
| Parks and public areas | \$ 511,045 | \$ 511,045 | \$ 501,748 | \$ 9,297 |
| Recreation | 263,696 | 267,981 | 264,504 | 3,477 |
| TOTALS | <u>\$ 774,741</u> | <u>\$ 779,026</u> | <u>\$ 766,252</u> | <u>\$ 12,774</u> |

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

TOWN OF MENASHA

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

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------------|-------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| CONSERVATION AND DEVELOPMENT | | | | |
| Community development | <u>\$ 132,488</u> | <u>\$ 137,141</u> | <u>\$ 126,664</u> | <u>\$ 10,477</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>\$ 596,113</u> | <u>\$ 596,113</u> | <u>\$ 575,882</u> | <u>\$ 20,231</u> |
| TOTAL EXPENDITURES & OTHER FINANCING USES | <u>\$ 9,414,138</u> | <u>\$ 9,657,260</u> | <u>\$ 9,176,941</u> | <u>\$ 480,319</u> |

TOWN OF MENASHA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2013

A. 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.

Budget control is maintained at the cost center level. Cost centers are defined as follows for the governmental fund types: General and capital projects at department level; special revenue and debt service at total fund level. Once the town budget has been adopted, no further amendments shall be made except through the following process. The town administrator is authorized to approve intradepartment/activity transfers of funds, except ones relating to capital expenditures. Transfers of funds from one department to another or between funds must be approved by the town board. Supplemental appropriations during the year were as follows:

| Fund | Amount |
|---------|------------|
| General | \$ 243,122 |

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$410,779. Budgets are adopted at the cost center level of expenditure as described above.

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Excess expenditures and other financing uses over appropriations are as follows:

| Funds | Final Budget | Expenditures and Other Financing Uses | Excess |
|------------------------------|--------------|---|--------------|
| Debt Service | \$ 2,353,729 | \$ 4,289,040 | \$ 1,935,311 |
| Garbage Collection/Recycling | 1,024,301 | 1,052,316 | 28,015 |
| Other Special Revenue | 43,705 | 58,231 | 14,526 |

SUPPLEMENTAL INFORMATION

TOWN OF MENASHA

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

| | Special Revenue Funds | | | Other Special Revenue | Total Nonmajor Governmental Funds |
|--|-------------------------------------|--------------------|----------------------|-----------------------------|--|
| | Garbage Collection/ Recycling | Grants | GREAT | | |
| ASSETS | | | | | |
| Cash and investments | \$ 475,088 | \$ - | \$ 789 | \$ 109,250 | \$ 585,127 |
| Taxes receivable | 820,117 | - | - | - | 820,117 |
| Accounts receivable | 3,645 | - | - | - | 3,645 |
| TOTAL ASSETS | <u>\$ 1,298,850</u> | <u>\$ -</u> | <u>\$ 789</u> | <u>\$ 109,250</u> | <u>\$ 1,408,889</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 136,445 | \$ - | \$ - | \$ 142 | \$ 136,587 |
| Deferred Inflows of Resources | | | | | |
| Unearned revenues | 820,117 | - | - | - | 820,117 |
| Fund Balances | | | | | |
| Restricted | 342,288 | - | 789 | 109,108 | 452,185 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 1,298,850</u> | <u>\$ -</u> | <u>\$ 789</u> | <u>\$ 109,250</u> | <u>\$ 1,408,889</u> |

TOWN OF MENASHA

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

| | Special Revenue Funds | | | | Totals |
|--------------------------------------|-------------------------------------|---------------|---------------|-----------------------------|-------------------|
| | Garbage Collection/ Recycling | Grants | GREAT | Other Special Revenue | |
| REVENUES | | | | | |
| Intergovernmental | \$ 59,793 | \$ 15,263 | \$ - | \$ - | \$ 75,056 |
| Public charges for services | 862,959 | - | - | 32,225 | 895,184 |
| Investment income | 1,486 | - | - | 41 | 1,527 |
| Miscellaneous | 24,094 | - | - | 53,724 | 77,818 |
| Total Revenues | <u>948,332</u> | <u>15,263</u> | <u>-</u> | <u>85,990</u> | <u>1,049,585</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | 1,049 | 1,049 |
| Public safety | - | - | - | 15,753 | 15,753 |
| Public works | 822,557 | - | - | - | 822,557 |
| Leisure activities | - | - | - | 8,381 | 8,381 |
| Conservation and development | - | 931 | - | - | 931 |
| Capital Outlay | 18,750 | - | - | - | 18,750 |
| Total Expenditures | <u>841,307</u> | <u>931</u> | <u>-</u> | <u>25,183</u> | <u>867,421</u> |
| Excess of revenues over expenditures | <u>107,025</u> | <u>14,332</u> | <u>-</u> | <u>60,807</u> | <u>182,164</u> |
| OTHER FINANCING USES | | | | | |
| Transfers out | (211,009) | (14,332) | - | (33,048) | (258,389) |
| Net Change in Fund Balance | (103,984) | - | - | 27,759 | (76,225) |
| FUND BALANCES - Beginning of Year | <u>446,272</u> | <u>-</u> | <u>789</u> | <u>81,349</u> | <u>528,410</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 342,288</u> | <u>\$ -</u> | <u>\$ 789</u> | <u>\$ 109,108</u> | <u>\$ 452,185</u> |

TOWN OF MENASHA

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

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-------------------|-------------------|-------------------------------|
| REVENUES | | | | |
| Taxes | \$ 1,853,030 | \$ 1,853,030 | \$ 1,853,030 | \$ - |
| Intergovernmental | 44,432 | 44,432 | 44,432 | - |
| Public charges for services | 10,000 | 10,000 | 13,946 | 3,946 |
| Special assessments | 110,223 | 110,223 | 169,268 | 59,045 |
| Investment income | 47,000 | 47,000 | 30,581 | (16,419) |
| Total Revenues | <u>2,064,685</u> | <u>2,064,685</u> | <u>2,111,257</u> | <u>46,572</u> |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal retirement | 1,969,348 | 1,969,348 | 1,969,349 | (1) |
| Interest and fiscal charges | 358,076 | 358,076 | 381,288 | (23,212) |
| Total Expenditures | <u>2,327,424</u> | <u>2,327,424</u> | <u>2,350,637</u> | <u>(23,213)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(262,739)</u> | <u>(262,739)</u> | <u>(239,380)</u> | <u>23,359</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Debt issued - refunding | - | - | 1,903,090 | 1,903,090 |
| Payments to refunding escrow | - | - | (1,916,071) | (1,916,071) |
| Premium on debt | - | - | 48,542 | 48,542 |
| Transfers in | 64,044 | 64,044 | 88,926 | 24,882 |
| Transfers out | (26,305) | (26,305) | (22,332) | 3,973 |
| Total Other Financing Sources (Uses) | <u>37,739</u> | <u>37,739</u> | <u>102,155</u> | <u>64,416</u> |
| Net Change in Fund Balance | (225,000) | (225,000) | (137,225) | 87,775 |
| FUND BALANCE - Beginning | <u>1,005,765</u> | <u>1,005,765</u> | <u>1,005,765</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 780,765</u> | <u>\$ 780,765</u> | <u>\$ 868,540</u> | <u>\$ 87,775</u> |

TOWN OF MENASHA

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

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|--------------------|--------------------|-------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 128,520 | \$ 128,520 | \$ - | \$ (128,520) |
| Investment income | - | - | 916 | 916 |
| Miscellaneous | - | - | 19,000 | 19,000 |
| Total Revenues | <u>128,520</u> | <u>128,520</u> | <u>19,916</u> | <u>(108,604)</u> |
| EXPENDITURES | | | | |
| Capital Outlay | 2,235,000 | 2,059,000 | 1,554,696 | 504,304 |
| Debt Service | | | | |
| Interest and fiscal charges | - | - | 26,905 | (26,905) |
| Total Expenditures | <u>2,235,000</u> | <u>2,059,000</u> | <u>1,581,601</u> | <u>477,399</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,106,480)</u> | <u>(1,930,480)</u> | <u>(1,561,685)</u> | <u>368,795</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Debt issued | 2,006,480 | 1,930,480 | 1,650,000 | (280,480) |
| Debt premium | - | - | 60,889 | 60,889 |
| Transfers in | 70,000 | 70,000 | 49,769 | (20,231) |
| Transfers out | - | (100,000) | (100,000) | - |
| Total Other Financing Sources (Uses) | <u>2,076,480</u> | <u>1,900,480</u> | <u>1,660,658</u> | <u>(239,822)</u> |
| Net Change in Fund Balance | (30,000) | (30,000) | 98,973 | 128,973 |
| FUND BALANCE - Beginning | <u>747,565</u> | <u>747,565</u> | <u>747,565</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 717,565</u> | <u>\$ 717,565</u> | <u>\$ 846,538</u> | <u>\$ 128,973</u> |

TOWN OF MENASHA

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

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Investment income | \$ - | \$ - | \$ 24,114 | \$ 24,114 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>24,114</u> | <u>24,114</u> |
| EXPENDITURES | | | | |
| Capital Outlay | 472,898 | 478,703 | 463,510 | 15,193 |
| Total Expenditures | <u>472,898</u> | <u>478,703</u> | <u>463,510</u> | <u>15,193</u> |
| Excess (deficiency) of revenues over expenditures | <u>(472,898)</u> | <u>(478,703)</u> | <u>(439,396)</u> | <u>39,307</u> |
| OTHER FINANCING SOURCES | | | | |
| Sale of capital assets | - | 3,800 | 74,553 | 70,753 |
| Transfers in | 526,113 | 526,113 | 526,113 | - |
| Total Other Financing Sources | <u>526,113</u> | <u>529,913</u> | <u>600,666</u> | <u>70,753</u> |
| Net Change in Fund Balance | 53,215 | 51,210 | 161,270 | 110,060 |
| FUND BALANCE - Beginning | <u>2,480,154</u> | <u>2,480,154</u> | <u>2,480,154</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 2,533,369</u> | <u>\$ 2,531,364</u> | <u>\$ 2,641,424</u> | <u>\$ 110,060</u> |

TOWN OF MENASHA

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

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-------------------|-------------------|-------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 59,773 | \$ 59,773 | \$ 59,793 | \$ 20 |
| Public charges for services | 859,770 | 859,770 | 862,959 | 3,189 |
| Investment income | 2,000 | 2,000 | 1,486 | (514) |
| Miscellaneous | 1,437 | 1,437 | 24,094 | 22,657 |
| Total Revenues | <u>922,980</u> | <u>922,980</u> | <u>948,332</u> | <u>25,352</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Works | 841,868 | 841,868 | 822,557 | 19,311 |
| Capital outlay | 19,000 | 19,000 | 18,750 | 250 |
| Total Expenditures | <u>860,868</u> | <u>860,868</u> | <u>841,307</u> | <u>19,561</u> |
| Excess of revenues over expenditures | <u>62,112</u> | <u>62,112</u> | <u>107,025</u> | <u>44,913</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(163,433)</u> | <u>(163,433)</u> | <u>(211,009)</u> | <u>(47,576)</u> |
| Net Change in Fund Balance | (101,321) | (101,321) | (103,984) | (2,663) |
| FUND BALANCE - Beginning | <u>446,272</u> | <u>446,272</u> | <u>446,272</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 344,951</u> | <u>\$ 344,951</u> | <u>\$ 342,288</u> | <u>\$ (2,663)</u> |

TOWN OF MENASHA

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

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-----------------|---------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 7,418 | \$ 15,263 | \$ 15,263 | \$ - |
| Total Revenues | <u>7,418</u> | <u>15,263</u> | <u>15,263</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Conservation and development | 1,418 | 4,610 | 931 | 3,679 |
| Total Expenditures | <u>1,418</u> | <u>4,610</u> | <u>931</u> | <u>3,679</u> |
| Excess of revenues over expenditures | <u>6,000</u> | <u>10,653</u> | <u>14,332</u> | <u>3,679</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | (6,000) | (10,653) | (14,332) | (3,679) |
| Total Other Financing Uses | <u>(6,000)</u> | <u>(10,653)</u> | <u>(14,332)</u> | <u>(3,679)</u> |
| Net Change in Fund Balance | - | - | - | - |
| FUND BALANCE - Beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

TOWN OF MENASHA

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

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------|--------------------|-----------------|---------------|-------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| FUND BALANCE - Beginning | 789 | 789 | 789 | - |
| FUND BALANCE - ENDING | <u>\$ 789</u> | <u>\$ 789</u> | <u>\$ 789</u> | <u>\$ -</u> |

TOWN OF MENASHA

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

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-------------------|-------------------|-------------------------------|
| REVENUES | | | | |
| Public charges for service | \$ 27,500 | \$ 27,500 | \$ 32,225 | \$ 4,725 |
| Investment income | 300 | 300 | 41 | (259) |
| Miscellaneous | 41,950 | 41,950 | 53,724 | 11,774 |
| Total Revenues | <u>69,750</u> | <u>69,750</u> | <u>85,990</u> | <u>16,240</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,200 | 1,200 | 1,049 | 151 |
| Public safety | 16,750 | 16,750 | 15,753 | 997 |
| Leisure activities | 6,800 | 6,800 | 8,381 | (1,581) |
| Conservation and development | 1,000 | 1,000 | - | 1,000 |
| Total Expenditures | <u>25,750</u> | <u>25,750</u> | <u>25,183</u> | <u>567</u> |
| Excess of revenues over expenditures | <u>44,000</u> | <u>44,000</u> | <u>60,807</u> | <u>16,807</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 7,007 | - | 7,007 |
| Transfers out | <u>(10,948)</u> | <u>(17,955)</u> | <u>(33,048)</u> | <u>(15,093)</u> |
| Total Other Financing Sources (Uses) | <u>(10,948)</u> | <u>(10,948)</u> | <u>(33,048)</u> | <u>(8,086)</u> |
| Net Change in Fund Balance | 33,052 | 33,052 | 27,759 | 8,721 |
| FUND BALANCE - Beginning | <u>81,349</u> | <u>81,349</u> | <u>81,349</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 114,401</u> | <u>\$ 114,401</u> | <u>\$ 109,108</u> | <u>\$ 8,721</u> |

TOWN OF MENASHA

OTHER SPECIAL REVENUE FUND
COMBINING SUBFUNDS BALANCE SHEET
As of December 31, 2013

| | <u>Parks- Improve- ments</u> | <u>Parks- Impact Fees</u> | <u>Public Protection</u> | <u>PD National Night Out</u> | <u>PD Neighborhood Watch</u> | <u>PD Community Relations</u> | <u>PD Equitable Sharing</u> | <u>PD K-9 Unit</u> | <u>PALS</u> | <u>Friends of the Park</u> | <u>PK Disc Golf</u> |
|--|--------------------------------------|-----------------------------------|------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|----------------------------|---------------|------------------------------------|-----------------------------|
| ASSETS | | | | | | | | | | | |
| Cash and investments | \$ 4,921 | \$ - | \$ 30,460 | \$ 6,695 | \$ 426 | \$ 653 | \$ 1,401 | \$ 1,000 | \$ 345 | \$ 7,011 | \$ 26,043 |
| TOTAL ASSETS | <u>\$ 4,921</u> | <u>\$ -</u> | <u>\$ 30,460</u> | <u>\$ 6,695</u> | <u>\$ 426</u> | <u>\$ 653</u> | <u>\$ 1,401</u> | <u>\$ 1,000</u> | <u>\$ 345</u> | <u>\$ 7,011</u> | <u>\$ 26,043</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | | |
| Accounts payable | \$ 51 | \$ - | \$ 91 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | <u>51</u> | <u>-</u> | <u>91</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | | | | | | | |
| Restricted | 4,870 | - | 30,369 | 6,695 | 426 | 653 | 1,401 | 1,000 | 345 | 7,011 | 26,043 |
| Total Fund Balances | <u>4,870</u> | <u>-</u> | <u>30,369</u> | <u>6,695</u> | <u>426</u> | <u>653</u> | <u>1,401</u> | <u>1,000</u> | <u>345</u> | <u>7,011</u> | <u>26,043</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 4,921</u> | <u>\$ -</u> | <u>\$ 30,460</u> | <u>\$ 6,695</u> | <u>\$ 426</u> | <u>\$ 653</u> | <u>\$ 1,401</u> | <u>\$ 1,000</u> | <u>\$ 345</u> | <u>\$ 7,011</u> | <u>\$ 26,043</u> |

TOWN OF MENASHA

OTHER SPECIAL REVENUE FUND
COMBINING SUBFUNDS BALANCE SHEET
As of December 31, 2013

| | PK Round Up Program | PK Dance Competition | PK Boat Trailer Parking Fees | PK Indian Mound | PK Tree Planting | Trail Donations | Fire Safety House | FD Citizen Academy | FD Safety Day | FD FF in PK Safety Hunt |
|--|---------------------------|----------------------------|------------------------------------|-----------------------|------------------------|--------------------|-------------------------|--------------------------|---------------------|-------------------------------|
| ASSETS | | | | | | | | | | |
| Cash and investments | \$ 477 | \$ 234 | \$ 8,029 | \$ 207 | \$ 1,819 | \$ 54 | \$ 1,910 | \$ 315 | \$ 1,030 | \$ 815 |
| TOTAL ASSETS | <u>\$ 477</u> | <u>\$ 234</u> | <u>\$ 8,029</u> | <u>\$ 207</u> | <u>\$ 1,819</u> | <u>\$ 54</u> | <u>\$ 1,910</u> | <u>\$ 315</u> | <u>\$ 1,030</u> | <u>\$ 815</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | | | | | | |
| Restricted | <u>477</u> | <u>234</u> | <u>8,029</u> | <u>207</u> | <u>1,819</u> | <u>54</u> | <u>1,910</u> | <u>315</u> | <u>1,030</u> | <u>815</u> |
| Total Fund Balances | <u>477</u> | <u>234</u> | <u>8,029</u> | <u>207</u> | <u>1,819</u> | <u>54</u> | <u>1,910</u> | <u>315</u> | <u>1,030</u> | <u>815</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 477</u> | <u>\$ 234</u> | <u>\$ 8,029</u> | <u>\$ 207</u> | <u>\$ 1,819</u> | <u>\$ 54</u> | <u>\$ 1,910</u> | <u>\$ 315</u> | <u>\$ 1,030</u> | <u>\$ 815</u> |

TOWN OF MENASHA

OTHER SPECIAL REVENUE FUNDS
COMBINING SUBFUNDS BALANCE SHEET
As of December 31, 2013

| | <u>FD Public Education</u> | <u>Fire Thermal Image Camera</u> | <u>Fire Defibrillators</u> | <u>1st Responders</u> | <u>Santa Float</u> | <u>Annual Car Event</u> | <u>Directional Signage</u> | <u>Sustain- ability</u> | <u>Special Events</u> | <u>Totals</u> |
|--|------------------------------------|--|--------------------------------|---------------------------|------------------------|---------------------------------|--------------------------------|-----------------------------|---------------------------|-------------------|
| ASSETS | | | | | | | | | | |
| Cash and investments | \$ 104 | \$ 2,321 | \$ 137 | \$ 474 | \$ 1,455 | \$ 555 | \$ 2,786 | \$ 4,948 | \$ 2,625 | \$ 109,250 |
| TOTAL ASSETS | <u>\$ 104</u> | <u>\$ 2,321</u> | <u>\$ 137</u> | <u>\$ 474</u> | <u>\$ 1,455</u> | <u>\$ 555</u> | <u>\$ 2,786</u> | <u>\$ 4,948</u> | <u>\$ 2,625</u> | <u>\$ 109,250</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 142 |
| Total Liabilities | - | - | - | - | - | - | - | - | - | 142 |
| Fund Balances | | | | | | | | | | |
| Restricted | 104 | 2,321 | 137 | 474 | 1,455 | 555 | 2,786 | 4,948 | 2,625 | 109,108 |
| Total Fund Balances | <u>104</u> | <u>2,321</u> | <u>137</u> | <u>474</u> | <u>1,455</u> | <u>555</u> | <u>2,786</u> | <u>4,948</u> | <u>2,625</u> | <u>109,108</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 104</u> | <u>\$ 2,321</u> | <u>\$ 137</u> | <u>\$ 474</u> | <u>\$ 1,455</u> | <u>\$ 555</u> | <u>\$ 2,786</u> | <u>\$ 4,948</u> | <u>\$ 2,625</u> | <u>\$ 109,250</u> |

TOWN OF MENASHA

OTHER SPECIAL REVENUE FUND
COMBINING SUBFUNDS SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2013

| | Parks- Improve- ments | Parks- Impact Fees | Public Protection | PD National Night Out | PD Neighborhood Watch | PD Community Relations | PD Equitable Sharing | PD K-9 Unit | PALS | Friends of the Park | PK Disc Golf |
|---|-----------------------------|--------------------------|----------------------|-----------------------------|-----------------------------|------------------------------|----------------------------|-------------------|---------------|---------------------------|--------------------|
| REVENUES | | | | | | | | | | | |
| Public charges for services | \$ - | \$ 24,882 | \$ 7,343 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment income | 2 | - | 12 | 3 | - | - | 1 | - | - | 3 | 10 |
| Miscellaneous | - | - | - | 5,934 | - | 7,470 | - | 1,000 | 45 | 4,894 | 19,660 |
| Total Revenues | <u>2</u> | <u>24,882</u> | <u>7,355</u> | <u>5,937</u> | <u>-</u> | <u>7,470</u> | <u>1</u> | <u>1,000</u> | <u>45</u> | <u>4,897</u> | <u>19,670</u> |
| EXPENDITURES | | | | | | | | | | | |
| Current | | | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | 5,288 | - | 7,503 | - | - | - | - | - |
| Leisure activities | - | - | - | - | - | - | - | - | - | 1,967 | 861 |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,288</u> | <u>-</u> | <u>7,503</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,967</u> | <u>861</u> |
| Excess (deficiency) of revenues over expenditures | <u>2</u> | <u>24,882</u> | <u>7,355</u> | <u>649</u> | <u>-</u> | <u>(33)</u> | <u>1</u> | <u>1,000</u> | <u>45</u> | <u>2,930</u> | <u>18,809</u> |
| OTHER FINANCING USES | | | | | | | | | | | |
| Transfers out | - | (24,882) | - | - | - | - | - | - | - | - | (3,944) |
| Total Other Financing Uses | <u>-</u> | <u>(24,882)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,944)</u> |
| Net Change in Fund Balance | 2 | - | 7,355 | 649 | - | (33) | 1 | 1,000 | 45 | 2,930 | 14,865 |
| FUND BALANCES - Beginning of Year | <u>4,868</u> | <u>-</u> | <u>23,014</u> | <u>6,046</u> | <u>426</u> | <u>686</u> | <u>1,400</u> | <u>-</u> | <u>300</u> | <u>4,081</u> | <u>11,178</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 4,870</u> | <u>\$ -</u> | <u>\$ 30,369</u> | <u>\$ 6,695</u> | <u>\$ 426</u> | <u>\$ 653</u> | <u>\$ 1,401</u> | <u>\$ 1,000</u> | <u>\$ 345</u> | <u>\$ 7,011</u> | <u>\$ 26,043</u> |

TOWN OF MENASHA

OTHER SPECIAL REVENUE FUND
COMBINING SUBFUNDS SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2013

| | PK Round Up Program | PK Dance Competition | PK Boat Trailer Parking Fees | PK Indian Mound | PK Tree Planting | Trail Donations | Fire Safety House | FD Citizen Academy | FD Safety Day | FD FF in PK Safety Hunt |
|---|---------------------------|----------------------------|------------------------------------|-----------------------|------------------------|--------------------|-------------------------|--------------------------|---------------------|-------------------------------|
| REVENUES | | | | | | | | | | |
| Public charges for services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment income | - | - | 3 | - | 1 | - | 1 | - | - | - |
| Miscellaneous | - | 399 | 3,705 | - | 2,344 | - | - | - | 673 | 1,548 |
| Total Revenues | - | 399 | 3,708 | - | 2,345 | - | 1 | - | 673 | 1,548 |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | 203 | - | 811 | 1,348 |
| Leisure activities | 257 | 1,216 | 1,032 | 605 | 2,035 | - | - | - | - | - |
| Total Expenditures | 257 | 1,216 | 1,032 | 605 | 2,035 | - | 203 | - | 811 | 1,348 |
| Excess (deficiency) of revenues over expenditures | (257) | (817) | 2,676 | (605) | 310 | - | (202) | - | (138) | 200 |
| OTHER FINANCING USES | | | | | | | | | | |
| Transfers out | - | - | - | (4,222) | - | - | - | - | - | - |
| Total Other Financing Uses | - | - | - | (4,222) | - | - | - | - | - | - |
| Net Change in Fund Balance | (257) | (817) | 2,676 | (4,827) | 310 | - | (202) | - | (138) | 200 |
| FUND BALANCES - Beginning of Year | 734 | 1,051 | 5,353 | 5,034 | 1,509 | 54 | 2,112 | 315 | 1,168 | 615 |
| FUND BALANCES - END OF YEAR | \$ 477 | \$ 234 | \$ 8,029 | \$ 207 | \$ 1,819 | \$ 54 | \$ 1,910 | \$ 315 | \$ 1,030 | \$ 815 |

TOWN OF MENASHA

OTHER SPECIAL REVENUE FUND
COMBINING SUBFUNDS SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2013

| | Other Special Revenue Subfunds | | | | | | | | | Totals |
|---|--------------------------------|---------------------------------|------------------------|-------------------|----------------|------------------------|------------------------|---------------------|-------------------|------------|
| | FD Public Education | Fire Thermal Image Camera | Fire Defibrillators | 1st Responders | Santa Float | Annual Car Event | Directional Signage | Sustain- ability | Special Events | |
| REVENUES | | | | | | | | | | |
| Public charges for services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 32,225 |
| Investment income | - | 1 | - | 1 | 1 | - | - | 2 | - | 41 |
| Miscellaneous | - | 177 | - | 100 | 823 | 647 | - | 4,305 | - | 53,724 |
| Total Revenues | - | 178 | - | 101 | 824 | 647 | - | 4,307 | - | 85,990 |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | - | - | - | - | 1,049 | - | - | - | - | 1,049 |
| Public safety | 376 | - | - | - | - | 224 | - | - | - | 15,753 |
| Leisure activities | - | - | - | - | - | - | - | 408 | - | 8,381 |
| Total Expenditures | 376 | - | - | - | 1,049 | 224 | - | 408 | - | 25,183 |
| Excess (deficiency) of revenues over expenditures | (376) | 178 | - | 101 | (225) | 423 | - | 3,899 | - | 60,807 |
| OTHER FINANCING USES | | | | | | | | | | |
| Transfers out | - | - | - | - | - | - | - | - | - | (33,048) |
| Total Other Financing Uses | - | - | - | - | - | - | - | - | - | (33,048) |
| Net Change in Fund Balance | (376) | 178 | - | 101 | (225) | 423 | - | 3,899 | - | 27,759 |
| FUND BALANCES - Beginning of Year | 480 | 2,143 | 137 | 373 | 1,680 | 132 | 2,786 | 1,049 | 2,625 | 81,349 |
| FUND BALANCES - END OF YEAR | \$ 104 | \$ 2,321 | \$ 137 | \$ 474 | \$ 1,455 | \$ 555 | \$ 2,786 | \$ 4,948 | \$ 2,625 | \$ 109,108 |

TOWN OF MENASHA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND

As of and for the Year Ended December 31, 2013

| | Balance January 1, 2013 | Additions | Deductions | Balance December 31, 2013 |
|----------------------------|-------------------------------|----------------------|----------------------|---------------------------------|
| TAX COLLECTION FUND | | | | |
| ASSETS | | | | |
| Cash and investment | \$ 12,516,453 | \$ 13,167,080 | \$ 12,516,453 | \$ 13,167,080 |
| Taxes receivable | 11,630,867 | 10,910,194 | 11,630,867 | 10,910,194 |
| Total Assets | <u>\$ 24,147,320</u> | <u>\$ 24,077,274</u> | <u>\$ 24,147,320</u> | <u>\$ 24,077,274</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 21,685 | \$ 8,181 | \$ 21,685 | \$ 8,181 |
| Due to other governments | 24,125,635 | 24,069,093 | 24,125,635 | 24,069,093 |
| Total Liabilities | <u>\$ 24,147,320</u> | <u>\$ 24,077,274</u> | <u>\$ 24,147,320</u> | <u>\$ 24,077,274</u> |

STATISTICAL SECTION

TOWN OF MENASHA

INDEX TO THE STATISTICAL SECTION December 31, 2013

| CONTENTS | <u>Page</u> |
|--|-------------|
| I. Financial Trends These schedules contain trend information to aid in the understanding of how the Town's financial performance and well-being have changed over time. | 74 |
| II. Revenue Capacity These schedules offer information about the Town's most significant revenue source, it's property tax. | 79 |
| III. Debt Capacity These schedules present information about the affordability of the Town's current levels of outstanding debt and ability to issue additional debt in the future. | 83 |
| IV. Demographic and Economic Information These schedules contain demographic and economic indicators about the environment within which the Town's financial activities take place. | 88 |
| V. Operating Information These schedules include service and infrastructure data about how the information in the Town's financial report relates to the services the Town provides and activities it performs. | 91 |

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The Town implemented GASB 34 in 2003; schedules presenting government-wide information begin in that year.

Schedule 1

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

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 16,567,554 | \$ 24,521,816 | \$ 47,075,009 | \$ 48,715,838 | \$ 51,282,545 | \$ 44,767,565 | \$ 46,573,826 | \$ 47,780,985 | \$ 47,070,602 | \$ 47,718,368 |
| Restricted | 1,722,051 | 2,235,727 | 2,101,821 | 2,233,155 | 2,454,243 | 2,333,154 | 2,156,486 | 508,253 | 528,410 | 452,185 |
| Unrestricted | 5,010,543 | 5,181,963 | 5,175,523 | 5,164,336 | 6,081,444 | 6,662,206 | 6,822,205 | 8,424,891 | 9,811,020 | 9,869,534 |
| Total governmental activities net position | \$ 23,300,148 | \$ 31,939,506 | \$ 54,352,353 | \$ 56,113,329 | \$ 59,818,232 | \$ 53,762,925 | \$ 55,552,517 | \$ 56,714,129 | \$ 57,410,032 | \$ 58,040,087 |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 27,884,306 | \$ 27,718,829 | \$ 30,454,520 | \$ 30,542,783 | \$ 29,508,726 | \$ 37,820,639 | \$ 39,408,832 | \$ 40,288,650 | \$ 41,642,338 | \$ 43,838,631 |
| Restricted | 2,379,384 | 2,399,552 | 2,666,489 | 3,128,129 | 5,730,405 | 4,985,371 | 5,561,773 | 5,267,200 | 4,140,739 | 3,162,018 |
| Unrestricted | 4,677,053 | 6,680,582 | 7,383,793 | 7,232,632 | 5,562,282 | 5,636,417 | 4,191,492 | 4,192,013 | 6,323,964 | 7,590,054 |
| Total business-type activities net position | \$ 34,940,743 | \$ 36,798,963 | \$ 40,504,802 | \$ 40,903,544 | \$ 40,801,413 | \$ 48,442,427 | \$ 49,162,097 | \$ 49,747,863 | \$ 52,107,041 | \$ 54,590,703 |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 44,451,860 | \$ 52,240,645 | \$ 77,529,529 | \$ 79,258,621 | \$ 80,791,271 | \$ 82,588,204 | \$ 85,982,658 | \$ 88,069,635 | \$ 88,712,940 | \$ 91,556,999 |
| Restricted | 4,101,435 | 4,635,279 | 4,768,310 | 5,361,284 | 8,184,648 | 7,318,525 | 7,718,259 | 5,775,453 | 4,669,149 | 3,614,203 |
| Unrestricted | 9,687,596 | 11,862,545 | 12,559,316 | 12,396,968 | 11,643,726 | 12,298,623 | 11,013,697 | 12,616,904 | 16,134,984 | 17,459,588 |
| Total primary government net position | \$ 58,240,891 | \$ 68,738,469 | \$ 94,857,155 | \$ 97,016,873 | \$ 100,619,645 | \$ 102,205,352 | \$ 104,714,614 | \$ 106,461,992 | \$ 109,517,073 | \$ 112,630,790 |

* The Town retroactively reported infrastructure in 2006.

** The Town established a stormwater enterprise fund in 2009 and the net position was transferred from the governmental activities to the business-type activities in 2009.

Schedule 2

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

| | 2004 | 2005 | 2006 | 2007 | Fiscal Year | | | | | 2012 | 2013 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------|
| | | | | | 2008 | 2009 | 2010 | 2011 | | | |
| Expenses | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| General government | \$ 1,486,043 | \$ 1,530,119 | \$ 1,466,503 | \$ 1,548,238 | \$ 1,736,327 | \$ 1,756,483 | \$ 1,687,399 | \$ 1,542,715 | \$ 1,798,939 | \$ 1,597,819 | |
| Public safety | 3,188,251 | 3,456,894 | 3,943,307 | 4,161,169 | 4,178,904 | 4,254,861 | 4,164,658 | 4,212,434 | 4,383,160 | 4,506,270 | |
| Public works | 2,063,364 | 2,312,525 | 2,989,666 | 4,279,908 | 3,184,945 | 3,088,924 | 3,326,475 | 3,511,189 | 3,655,320 | 3,642,092 | |
| Leisure activities | 546,162 | 2,486,016 | 746,555 | 631,605 | 974,549 | 899,836 | 1,082,925 | 1,047,315 | 868,853 | 1,168,122 | |
| Conservation and development | 136,707 | 177,897 | 175,863 | 160,032 | 168,509 | 154,920 | 137,483 | 117,824 | 131,864 | 128,584 | |
| Interest & fiscal charges | 520,619 | 438,352 | 451,811 | 542,723 | 541,499 | 457,295 | 397,129 | 454,637 | 396,523 | 464,372 | |
| Total Governmental Activities Expenses | 7,941,146 | 10,401,803 | 9,773,705 | 11,323,675 | 10,784,733 | 10,612,319 | 10,796,069 | 10,886,114 | 11,234,659 | 11,507,259 | |
| Business-type activities: | | | | | | | | | | | |
| Water utility | \$ 3,001,254 | \$ 2,747,702 | \$ 3,097,725 | \$ 3,488,417 | \$ 3,760,622 | \$ 3,741,278 | \$ 3,953,601 | \$ 4,002,372 | \$ 4,382,508 | \$ 3,906,865 | |
| Sewer utility | 2,478,165 | 2,417,130 | 2,685,533 | 2,713,387 | 2,819,991 | 3,033,559 | 3,378,541 | 3,212,936 | 3,054,721 | 3,172,812 | |
| Storm water utility | - | - | - | - | - | 536,711 | 695,353 | 788,864 | 875,810 | 954,300 | |
| Total Business-type Activities Expenses | 5,479,419 | 5,164,832 | 5,783,258 | 6,201,804 | 6,580,613 | 7,311,548 | 8,027,495 | 8,004,172 | 8,313,039 | 8,033,977 | |
| Total Primary Government Expenses | \$ 13,420,565 | \$ 15,566,635 | \$ 15,556,963 | \$ 17,525,479 | \$ 17,365,346 | \$ 17,923,867 | \$ 18,823,564 | \$ 18,890,286 | \$ 19,547,698 | \$ 19,541,236 | |
| Program Revenues | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Charges for services: | \$ 1,062,320 | \$ 1,044,585 | \$ 1,223,180 | \$ 1,258,007 | \$ 1,419,536 | \$ 1,420,008 | \$ 1,598,406 | \$ 1,476,916 | \$ 1,572,177 | \$ 1,558,628 | |
| Operating grants and contributions | 1,213,955 | 1,024,799 | 1,034,554 | 1,046,801 | 1,061,770 | 1,075,920 | 974,942 | 1,028,129 | 945,386 | 929,463 | |
| Capital grants and contributions | 2,375,882 | 4,700,304 | 4,295,303 | 2,145,537 | 395,368 | 394,951 | 991,986 | 91,525 | 212,240 | 134,432 | |
| Total Governmental Activities Program Revenues | 4,652,157 | 6,769,688 | 6,553,037 | 4,450,345 | 2,876,674 | 2,890,879 | 3,565,334 | 2,596,570 | 2,729,803 | 2,622,523 | |
| Business-type activities: | | | | | | | | | | | |
| Charges for services: | | | | | | | | | | | |
| Water utility | \$ 3,167,114 | \$ 3,264,350 | \$ 3,204,402 | \$ 3,434,213 | \$ 3,689,686 | \$ 4,174,817 | \$ 4,033,844 | \$ 4,242,930 | \$ 5,225,588 | \$ 5,085,947 | |
| Sewer utility | 2,597,895 | 2,690,671 | 2,599,803 | 2,604,852 | 2,543,692 | 2,589,860 | 2,630,670 | 3,002,535 | 3,557,516 | 3,476,960 | |
| Storm water utility | - | - | - | - | - | - | 1,500,283 | 1,400,033 | 1,631,174 | 1,580,808 | |
| Total Charges for Services | 5,765,009 | 5,955,021 | 5,804,205 | 6,039,065 | 6,233,378 | 6,764,677 | 8,164,797 | 8,645,498 | 10,414,278 | 10,143,715 | |
| Operating grants and contributions | - | - | - | - | - | - | - | - | 70,476 | 105,073 | |
| Capital grants and contributions | 1,311,026 | 2,032,738 | 3,324,941 | 112,037 | 135,462 | 748,572 | 816,063 | 302,715 | 264,243 | 986,279 | |
| Total Business-type Activities Program Revenues | 7,076,035 | 7,987,759 | 9,129,146 | 6,151,102 | 6,368,840 | 7,513,249 | 8,980,860 | 8,948,213 | 10,748,997 | 11,235,067 | |
| Total Primary Government Program Revenues | \$ 11,728,192 | \$ 14,757,447 | \$ 15,682,183 | \$ 10,601,447 | \$ 9,245,514 | \$ 10,404,128 | \$ 12,546,194 | \$ 11,544,783 | \$ 13,478,800 | \$ 13,857,590 | |
| Net (Expenses)/Revenues | | | | | | | | | | | |
| Governmental activities | \$ (3,288,989) | \$ (3,632,115) | \$ (3,220,668) | \$ (6,873,330) | \$ (7,908,059) | \$ (7,721,440) | \$ (7,230,735) | \$ (8,289,544) | \$ (8,504,856) | \$ (8,884,736) | |
| Business-type activities | 1,596,616 | 2,822,927 | 3,345,888 | (50,702) | (211,773) | 201,701 | 953,365 | 944,041 | 2,435,958 | 3,201,090 | |
| Total Primary Government Net Expense | \$ (1,692,373) | \$ (809,188) | \$ 125,220 | \$ (6,924,032) | \$ (8,119,832) | \$ (7,519,739) | \$ (6,277,370) | \$ (7,345,503) | \$ (6,068,898) | \$ (5,683,646) | |
| General Revenues and Other Changes in Net Position | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Property taxes | \$ 5,986,260 | \$ 5,993,789 | \$ 6,290,178 | \$ 6,568,224 | \$ 6,877,747 | \$ 7,125,007 | \$ 7,423,327 | \$ 7,626,208 | \$ 7,800,824 | \$ 7,788,885 | |
| Other taxes | 149,687 | 66,085 | 68,697 | 63,966 | 64,869 | 65,057 | 63,561 | 64,935 | 64,051 | 62,963 | |
| Intergovernmental revenues not restricted to specific program | 835,289 | 898,667 | 654,635 | 709,137 | 759,859 | 910,277 | 648,201 | 687,450 | 588,611 | 600,848 | |
| Public gifts and/or grants | 4,462 | 7,377 | 65,298 | 13,799 | 42,930 | 9,905 | - | - | - | - | |
| Investment income | 131,905 | 273,990 | 430,526 | 658,935 | 460,290 | 318,013 | 91,860 | 180,157 | 115,957 | 95,727 | |
| Miscellaneous | 246,987 | 284,616 | 223,192 | 272,414 | 316,763 | 273,164 | 273,110 | 358,102 | 341,295 | 355,266 | |
| Transfers | 279,181 | 311,626 | 322,393 | 347,831 | 378,113 | (7,035,290) | 520,268 | 534,304 | 290,021 | 611,102 | |
| Total Governmental Activities | \$ 7,633,771 | \$ 7,836,150 | \$ 8,054,919 | \$ 8,634,306 | \$ 8,900,571 | \$ 1,666,133 | \$ 9,020,327 | \$ 9,451,156 | \$ 9,200,759 | \$ 9,514,791 | |
| Business-type activities: | | | | | | | | | | | |
| Investment income | \$ 127,890 | \$ 331,459 | \$ 682,344 | \$ 797,275 | \$ 487,755 | \$ 400,594 | \$ 275,157 | \$ 165,598 | \$ 118,000 | \$ 45,127 | |
| Miscellaneous | - | - | - | - | - | 3,429 | 11,416 | 10,431 | 95,241 | 16,331 | |
| Transfers | (279,181) | (311,626) | (322,393) | (347,831) | (378,113) | 7,035,290 | (520,268) | (534,304) | (290,021) | (611,102) | |
| Total Business-type Activities | (151,291) | 19,833 | 359,951 | 449,444 | 109,642 | 7,439,313 | (233,695) | (358,275) | (76,780) | (549,644) | |
| Total Primary Government | \$ 7,482,480 | \$ 7,855,983 | \$ 8,414,870 | \$ 9,083,750 | \$ 9,010,213 | \$ 9,105,446 | \$ 8,786,632 | \$ 9,092,881 | \$ 9,123,979 | \$ 8,965,147 | |
| Change in Net Position | | | | | | | | | | | |
| Governmental activities | \$ 4,344,782 | \$ 4,204,035 | \$ 4,834,251 | \$ 1,760,976 | \$ 992,512 | \$ (6,055,307) | \$ 1,789,592 | \$ 1,161,612 | \$ 695,903 | \$ 630,055 | |
| Business-type activities | 1,445,325 | 2,842,760 | 3,705,839 | 398,742 | (102,131) | 7,641,014 | 719,670 | 585,766 | 2,359,178 | 2,651,446 | |
| Total Primary Government Change in Net Position | \$ 5,790,107 | \$ 7,046,795 | \$ 8,540,090 | \$ 2,159,718 | \$ 890,381 | \$ 1,585,707 | \$ 2,509,262 | \$ 1,747,378 | \$ 3,055,081 | \$ 3,281,501 | |

Schedule 3

Town of Menasha, Wisconsin
Program Revenues by Funding/Program
Last Ten Fiscal Years
(accrual basis of accounting)

| Function/Program | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities: | | | | | | | | | | |
| General government | \$ 122,322 | \$ 114,571 | \$ 116,921 | \$ 117,164 | \$ 95,571 | \$ 103,640 | \$ 106,847 | \$ 97,527 | \$ 95,254 | \$ 88,380 |
| Public safety | 438,405 | 556,356 | 451,740 | 514,172 | 427,633 | 405,067 | 476,850 | 395,555 | 407,853 | 510,322 |
| Public works | 2,799,593 | 4,581,267 | 5,517,987 | 3,104,759 | 2,223,776 | 1,924,054 | 2,714,121 | 1,901,678 | 1,978,543 | 1,760,545 |
| Leisure activities | 1,263,452 | 1,372,412 | 433,813 | 688,207 | 105,340 | 443,013 | 221,726 | 163,430 | 177,202 | 185,076 |
| Conservation and development | 28,385 | 145,082 | 32,576 | 26,043 | 24,354 | 15,105 | 45,790 | 16,879 | 21,330 | 33,768 |
| Interest and fiscal charges | - | - | - | - | - | - | - | 21,501 | 49,621 | 44,432 |
| Total Governmental Activities Program Revenues | \$ 4,652,157 | \$ 6,769,688 | \$ 6,553,037 | \$ 4,450,345 | \$ 2,876,674 | \$ 2,890,879 | \$ 3,565,334 | \$ 2,596,570 | \$ 2,729,803 | \$ 2,622,523 |
| Business-type activities: | | | | | | | | | | |
| Water utility | \$ 3,761,499 | \$ 4,336,089 | \$ 4,372,297 | \$ 3,308,432 | \$ 3,702,590 | \$ 4,172,157 | \$ 4,148,671 | \$ 4,390,671 | \$ 5,388,575 | \$ 5,287,692 |
| Sewer utility | 3,314,536 | 3,651,670 | 4,756,849 | 2,842,670 | 2,666,250 | 2,596,405 | 2,700,596 | 3,157,509 | 3,690,395 | 3,794,671 |
| Storm water utility* | - | - | - | - | - | 744,687 | 2,131,593 | 1,400,033 | 1,670,027 | 2,152,704 |
| Total Business-type Activities Program Revenues | 7,076,035 | 7,987,759 | 9,129,146 | 6,151,102 | 6,368,840 | 7,513,249 | 8,980,860 | 8,948,213 | 10,748,997 | 11,235,067 |
| Total Primary Government Program Revenues | \$11,728,192 | \$14,757,447 | \$15,682,183 | \$10,601,447 | \$9,245,514 | \$10,404,128 | \$12,546,194 | \$11,544,783 | \$13,478,800 | \$13,857,590 |

* The Town of Menasha created the Stormwater utility on August 3, 2009.

Schedule 4

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved for: | | | | | | | | | | |
| Delinquent personal property taxes | \$ 2,177 | \$ 3,840 | \$ 1,426 | \$ 3,689 | \$ 4,886 | \$ 7,539 | \$ 7,045 | \$ - | \$ - | \$ - |
| Prepaid items | - | - | 55,880 | 60,083 | 65,989 | 59,437 | 60,001 | - | - | - |
| Payment in lieu of taxes | 279,181 | 311,626 | 322,393 | 357,297 | 383,768 | 428,966 | 461,583 | - | - | - |
| Advances | - | - | - | - | - | 1,165,367 | 565,367 | - | - | - |
| Encumbrances | - | - | - | - | - | - | - | - | - | - |
| Designated | 2,013,184 | 2,162,236 | 2,197,572 | 2,439,550 | 2,900,132 | 2,472,042 | 2,562,652 | - | - | - |
| Undesignated | 806,812 | 987,261 | 1,313,066 | 1,448,696 | 1,045,177 | 851,399 | 1,664,458 | - | - | - |
| Nonspendable | - | - | - | - | - | - | - | 581,236 | 508,704 | 429,748 |
| Committed | - | - | - | - | - | - | - | - | 1,882,828 | 1,916,422 |
| Assigned | - | - | - | - | - | - | - | 1,330,342 | 1,473,359 | 1,617,349 |
| Unassigned | - | - | - | - | - | - | - | 3,694,787 | 2,158,018 | 2,117,772 |
| Total General Fund | \$ 3,101,354 | \$ 3,464,963 | \$ 3,890,337 | \$ 4,309,315 | \$ 4,399,952 | \$ 4,984,750 | \$ 5,321,106 | \$ 5,606,365 | \$ 6,022,909 | \$ 6,081,291 |
| Other Governmental Funds | | | | | | | | | | |
| Reserved: | | | | | | | | | | |
| Debt service | \$ 1,160,047 | \$ 1,475,702 | \$ 635,784 | \$ 915,433 | \$ 1,070,076 | \$ 990,489 | \$ 911,239 | \$ - | \$ - | \$ - |
| Encumbrances | - | - | - | - | 12,865 | - | - | - | - | - |
| Unreserved and designated: | | | | | | | | | | |
| Capital Project Funds | 244,530 | 244,530 | 244,530 | 244,530 | 244,530 | 244,530 | 244,530 | - | - | - |
| Unreserved and undesignated: | | | | | | | | | | |
| Special Revenue Funds | 367,174 | 295,186 | 294,422 | 257,250 | 355,840 | 453,950 | 538,247 | - | - | - |
| Capital Project Funds | 1,933,366 | 1,088,872 | 1,319,335 | 2,397,446 | 3,116,909 | 1,739,660 | 4,005,082 | - | - | - |
| Nonspendable | - | - | - | - | - | - | - | 100,000 | - | - |
| Restricted | - | - | - | - | - | - | - | 2,115,425 | 782,643 | 767,988 |
| Committed | - | - | - | - | - | - | - | 789 | - | - |
| Assigned | - | - | - | - | - | - | - | 3,010,644 | 3,979,251 | 4,040,699 |
| Total Other Governmental Funds | \$ 3,705,117 | \$ 3,104,290 | \$ 2,494,071 | \$ 3,814,659 | \$ 4,800,220 | \$ 3,428,629 | \$ 5,699,098 | \$ 5,226,858 | \$ 4,761,894 | \$ 4,808,687 |
| Total All Governmental Funds | \$ 6,806,471 | \$ 6,569,253 | \$ 6,384,408 | \$ 8,123,974 | \$ 9,200,172 | \$ 8,413,379 | \$ 11,020,204 | \$ 10,833,223 | \$ 10,784,803 | \$ 10,889,978 |

Note: The Town implemented GASB Statement 54 in 2011.

Schedule 5

Town of Menasha, Wisconsin
Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years
 (accrual basis of accounting)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 6,135,948 | \$ 6,059,874 | \$ 6,358,875 | \$ 6,632,190 | \$ 6,942,616 | \$ 7,190,277 | \$ 7,486,888 | \$ 7,691,143 | \$ 7,864,875 | \$ 7,851,848 |
| Intergovernmental | 1,785,210 | 3,444,392 | 1,705,897 | 1,970,544 | 1,788,950 | 1,955,432 | 1,792,497 | 1,682,165 | 1,673,688 | 1,491,178 |
| Licenses and permits | 391,536 | 383,085 | 492,675 | 424,274 | 372,615 | 369,731 | 466,506 | 415,408 | 437,065 | 448,259 |
| Fines, forfeitures and penalties | 137,285 | 131,415 | 144,906 | 168,871 | 156,233 | 171,459 | 169,918 | 153,921 | 167,839 | 201,246 |
| Public charges for services | 637,124 | 689,500 | 688,495 | 782,952 | 913,637 | 1,025,205 | 1,062,516 | 1,034,698 | 1,044,536 | 1,051,562 |
| Special assessments | 147,279 | 593,778 | 193,015 | 403,038 | 214,560 | 181,731 | 158,545 | 217,605 | 184,499 | 183,074 |
| Investment income | 148,088 | 273,990 | 430,526 | 658,935 | 460,290 | 317,994 | 91,860 | 180,157 | 115,956 | 95,727 |
| Miscellaneous | 647,732 | 664,588 | 402,344 | 354,752 | 495,894 | 267,025 | 273,242 | 211,587 | 314,991 | 214,404 |
| Total revenues | 10,030,202 | 12,240,622 | 10,416,733 | 11,395,556 | 11,344,795 | 11,478,854 | 11,501,972 | 11,586,684 | 11,803,449 | 11,537,298 |
| Expenditures by Function | | | | | | | | | | |
| General government | 1,390,751 | 1,451,364 | 1,532,646 | 1,614,107 | 1,616,085 | 1,568,063 | 1,595,024 | 1,441,444 | 1,409,037 | 1,400,673 |
| Public safety | 3,054,859 | 3,280,021 | 3,423,575 | 3,635,617 | 3,863,813 | 3,980,076 | 3,915,756 | 3,991,005 | 4,047,385 | 4,199,583 |
| Health and social services | 182,965 | 215,818 | 193,331 | 209,609 | 215,989 | 204,739 | 201,690 | 225,460 | - | - |
| Public works | 1,614,906 | 1,969,013 | 1,945,833 | 2,078,658 | 2,273,500 | 2,303,753 | 2,194,270 | 2,648,380 | 2,490,358 | 2,947,246 |
| Leisure activities | 477,721 | 614,153 | 634,797 | 671,856 | 724,683 | 663,900 | 799,156 | 722,184 | 696,964 | 774,633 |
| Community development | 153,469 | 167,300 | 233,642 | 170,681 | 185,748 | 162,133 | 140,539 | 117,430 | 130,607 | 127,595 |
| Capital outlay | 1,977,919 | 3,074,501 | 4,376,068 | 1,636,585 | 1,419,259 | 2,598,702 | 1,551,377 | 1,198,217 | 2,802,831 | 2,036,956 |
| Debt service | | | | | | | | | | |
| Principal retirement | 1,326,450 | 2,519,494 | 4,005,777 | 1,239,224 | 1,314,783 | 1,431,064 | 1,532,283 | 1,783,819 | 1,850,052 | 1,969,349 |
| Interest and fiscal charges | 522,415 | 465,052 | 373,171 | 561,829 | 555,835 | 526,710 | 407,901 | 379,490 | 413,739 | 408,193 |
| Total expenditures | 10,701,455 | 13,756,716 | 16,718,840 | 11,818,166 | 12,169,695 | 13,439,140 | 12,337,996 | 12,507,429 | 13,840,973 | 13,864,228 |
| Excess of Revenues | | | | | | | | | | |
| Over/(under) expenditures | (671,253) | (1,516,094) | (6,302,107) | (422,610) | (824,900) | (1,960,286) | (836,024) | (920,745) | (2,037,524) | (2,326,930) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Debt issued | 3,234,486 | 956,050 | 5,787,949 | 1,770,000 | 1,510,000 | 916,160 | 2,885,120 | 100,000 | 1,645,000 | 1,650,000 |
| Debt issued-refunding | - | - | - | - | - | - | - | - | - | 1,903,090 |
| Payments to refunding bond escrow agent | - | - | - | - | - | - | - | - | - | (1,916,071) |
| Premium (discount) on debt | - | - | - | - | - | - | - | - | 44,242 | 109,431 |
| Sale of capital assets | 16,400 | 11,200 | 6,920 | 44,345 | 12,985 | 30,240 | 37,461 | 99,460 | 9,841 | 74,553 |
| Transfers in | 2,514,331 | 1,169,782 | 945,881 | 1,050,285 | 1,064,804 | 2,040,733 | 1,423,599 | 1,404,586 | 1,531,689 | 1,567,705 |
| Transfers out | (2,235,150) | (858,156) | (623,488) | (702,454) | (686,691) | (1,524,962) | (903,331) | (870,282) | (1,241,668) | (956,603) |
| Total other financing sources (uses) | 3,530,067 | 1,278,876 | 6,117,262 | 2,162,176 | 1,901,098 | 1,462,171 | 3,442,849 | 733,764 | 1,989,104 | 2,432,105 |
| Net change in fund balance | 2,858,814 | (237,218) | (184,845) | 1,739,566 | 1,076,198 | (786,793) | 2,606,825 | (186,981) | (48,420) | 105,175 |
| Fund Balance January 1 | 3,947,657 | 6,806,471 | 6,569,253 | 6,384,408 | 8,123,974 | 9,200,172 | 8,413,379 | 11,020,204 | 10,833,223 | 10,784,803 |
| Fund Balance December 31 | \$ 6,806,471 | \$ 6,569,253 | \$ 6,384,408 | \$ 8,123,974 | \$ 9,200,172 | \$ 8,413,379 | \$ 11,020,204 | \$ 10,833,223 | \$ 10,784,803 | \$ 10,889,978 |
| Debt service as a percentage of noncapital expenditures | 21.8% | 24.6% | 36.3% | 17.9% | 17.5% | 18.2% | 17.8% | 19.4% | 19.7% | 20.4% |

Schedule 6

**Town of Menasha, Wisconsin
Assessed and Equalized Value of Taxable Property
Last Ten Fiscal Years**

| <u>Levy Year</u> | <u>Fiscal Year</u> | <u>Real Property Assessed Values</u> | | | | <u>Personal Property Assessed Value</u> | <u>Total</u> | | <u>Total Direct Tax Rate</u> | <u>Percent of Total Assessed to Total Equalized Value</u> |
|------------------|--------------------|--------------------------------------|-------------------|----------------------|--------------|---|-----------------------|------------------------|------------------------------|---|
| | | <u>Residential</u> | <u>Commercial</u> | <u>Manufacturing</u> | <u>Other</u> | <u>Combined Commercial & Mfg.</u> | <u>Assessed Value</u> | <u>Equalized Value</u> | | |
| 2004 | 2005 | 760,229,600 | 262,097,422 | 177,314,700 | 2,119,700 | 53,266,900 | 1,255,028,322 | 1,217,740,400 | 4.78 | 103.06% |
| 2005 | 2006 | 798,391,800 | 274,644,422 | 176,416,900 | 2,117,400 | 54,850,400 | 1,306,420,922 | 1,299,187,400 | 4.81 | 100.56% |
| 2006 | 2007 | 817,827,300 | 289,417,800 | 185,539,100 | 2,139,700 | 60,636,800 | 1,355,560,700 | 1,328,595,035 | 4.84 | 102.03% |
| 2007 | 2008 | 837,903,200 | 308,805,900 | 184,125,300 | 2,393,700 | 66,885,900 | 1,400,114,000 | 1,389,484,200 | 4.91 | 100.77% |
| 2008 | 2009 | 857,216,200 | 327,990,000 | 184,460,700 | 2,389,200 | 67,519,800 | 1,439,575,900 | 1,435,242,400 | 4.95 | 100.30% |
| 2009 | 2010 | 864,487,200 | 336,533,300 | 179,066,000 | 2,166,500 | 67,766,800 | 1,450,019,800 | 1,396,855,400 | 5.12 | 103.81% |
| 2010 | 2011 | 871,649,200 | 340,859,100 | 170,051,800 | 2,166,500 | 68,305,415 | 1,453,032,015 | 1,414,080,300 | 5.27 | 102.75% |
| 2011 | 2012 | 875,973,900 | 340,398,400 | 168,608,100 | 2,187,400 | 63,333,900 | 1,450,501,700 | 1,436,584,600 | 5.38 | 100.97% |
| 2012 | 2013 | 881,473,600 | 341,476,900 | 172,439,200 | 2,190,800 | 66,867,100 | 1,464,447,600 | 1,370,537,600 | 5.34 | 106.85% |
| 2013 | 2014 | 889,854,900 | 339,675,100 | 160,182,100 | 2,178,400 | 69,382,500 | 1,461,273,000 | 1,394,275,300 | 5.39 | 104.81% |

Sources: Wisconsin Department of Revenue and Town Assessor.

Schedule 7

Town of Menasha, Wisconsin

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Per \$1,000 of Equalized Value^c

| Town Direct Rates | | | | | Overlapping Rates ^b | | | | | |
|-------------------|-------------|--------------|-------------------|------------|--------------------------------|-------------------------|--------------------------|------------------------------|----------------|--------------|
| Levy Year | Fiscal Year | General Fund | Debt Service Fund | Town Total | Neenah School District | Menasha School District | Appleton School District | Fox Valley Technical College | County & State | State Credit |
| 2004 | 2005 | 3.66 | 1.27 | 4.92 | 8.80 | 9.28 | 8.88 | 1.72 | 6.26 | (1.25) |
| 2005 | 2006 | 3.92 | 0.95 | 4.87 | 8.31 | 9.11 | 8.03 | 1.71 | 6.18 | (1.15) |
| 2006 | 2007 | 3.90 | 1.04 | 4.94 | 7.32 | 8.82 | 8.00 | 1.67 | 6.13 | (1.39) |
| 2007 | 2008 | 3.90 | 1.07 | 4.97 | 8.30 | 8.48 | 8.04 | 1.68 | 6.28 | (1.42) |
| 2008 | 2009 | 3.98 | 1.05 | 5.02 | 8.16 | 8.75 | 8.11 | 1.70 | 6.30 | (1.51) |
| 2009 | 2010 | 4.21 | 1.13 | 5.35 | 8.52 | 9.55 | 8.71 | 1.73 | 6.38 | (1.49) |
| 2010 | 2011 | 4.17 | 1.24 | 5.41 | 8.81 | 9.54 | 9.09 | 1.78 | 6.54 | (1.46) |
| 2011 | 2012 | 4.11 | 1.31 | 5.42 | 8.53 | 9.81 | 9.49 | 1.79 | 6.38 | (1.41) |
| 2012 | 2013 | 4.34 | 1.35 | 5.69 | 8.91 | 9.82 | 9.38 | 1.96 | 6.42 | (1.48) |
| 2013 | 2014 | 4.37 | 1.33 | 5.70 | 8.72 | 10.34 | 9.20 | 1.99 | 6.24 | (1.47) |

Per \$1,000 of Assessed Value

| Town Direct Rates | | | | | Overlapping Rates ^b | | | | | |
|-------------------|-------------|--------------|-------------------|------------|--------------------------------|-------------------------|--------------------------|------------------------------|----------------|--------------|
| Levy Year | Fiscal Year | General Fund | Debt Service Fund | Town Total | Neenah School District | Menasha School District | Appleton School District | Fox Valley Technical College | County & State | State Credit |
| 2004 | 2005 | 3.55 | 1.23 | 4.78 | 8.54 | 9.01 | 8.62 | 1.67 | 6.08 | (1.21) |
| 2005 | 2006 | 3.88 | 0.94 | 4.81 | 8.21 | 9.00 | 7.94 | 1.69 | 6.10 | (1.13) |
| 2006 | 2007 | 3.83 | 1.02 | 4.84 | 7.18 | 8.64 | 7.84 | 1.63 | 6.01 | (1.36) |
| 2007 | 2008 | 3.85 | 1.06 | 4.91 | 8.19 | 8.37 | 7.94 | 1.66 | 6.19 | (1.40) |
| 2008 | 2009 | 3.92 | 1.03 | 4.95 | 8.04 | 8.62 | 7.99 | 1.68 | 6.20 | (1.49) |
| 2009 | 2010 | 4.04 | 1.08 | 5.12 | 8.16 | 9.14 | 8.34 | 1.65 | 6.11 | (1.43) |
| 2010 | 2011 | 4.06 | 1.21 | 5.27 | 8.58 | 9.29 | 8.85 | 1.73 | 6.36 | (1.42) |
| 2011 | 2012 | 4.08 | 1.30 | 5.38 | 8.47 | 9.74 | 9.42 | 1.77 | 6.33 | (1.40) |
| 2012 | 2013 | 4.08 | 1.27 | 5.34 | 8.36 | 9.22 | 8.81 | 1.84 | 6.02 | (1.39) |
| 2013 | 2014 | 4.13 | 1.26 | 5.39 | 8.24 | 9.77 | 8.70 | 1.88 | 5.90 | (1.39) |

Note:

A.) The Town of Menasha's levy is restricted by levy limits imposed by the State of Wisconsin

B.) Overlapping rates are those of other governments or technical colleges that apply to property owners within the Town of Menasha. Only one overlapping school district rate will apply to a Town of Menasha property owner.

C.) The Town of Menasha's Equalized Tax Rate is calculated by using the Assessed Tax Rate times the Assessment Ratio (not the actual value)

Schedule 8

Town of Menasha, Wisconsin

PRINCIPAL TAXPAYERS

December 31, 2013

| | <u>Name</u> | <u>Nature of Business</u> | <u>Percent of Total Assessed Value</u> | <u>2013 Assessed Value</u> | <u>2013 Equalized Value</u> |
|--------|----------------------------|---------------------------------|--|----------------------------|-----------------------------|
| 1 | Kimberly-Clark Corporation | Paper Products | 3.25% | \$ 47,435,800 | \$ 44,835,500 |
| 2 | Badgers I & II LLC | Office Buildings | 2.32% | 33,968,600 | 32,106,400 |
| 3 | Thomas A. Wright | Residential/Multi Family Living | 1.55% | 22,589,300 | 21,351,000 |
| 4 | Touchmark on West Prospect | Retirement Living Complex | 1.41% | 20,638,000 | 19,506,600 |
| 5 | SCA | Paper Products | 0.98% | 14,301,100 | 12,177,200 |
| 6 | Clearwater Paper | Paper Products | 0.90% | 13,109,200 | 12,390,600 |
| 7 | Sunshine Real Estate LLC | Residential/Multi Family Living | 0.85% | 12,454,600 | 11,771,900 |
| 8 | Pierce Mfg | Fire & Utility Truck Bodies | 0.75% | 11,016,500 | 10,412,500 |
| 9 | Neuroscience Center LLC | Medical | 0.71% | 10,329,300 | 9,763,100 |
| 10 | Warehouse Specialist | Warehousing | 0.66% | 9,624,900 | 9,097,300 |
| TOTALS | | | 13.38% | \$ 195,467,300 | \$ 183,412,100 |

PRINCIPAL TAXPAYERS

December 31, 2004

| | <u>Name</u> | <u>Nature of Business</u> | <u>Percent of Total Assessed Value</u> | <u>2004 Assessed Value</u> | <u>2004 Equalized Value**</u> |
|--------|----------------------------|---------------------------------|--|----------------------------|-------------------------------|
| 1 | Kimberly-Clark Corporation | Paper Products | 8.63% | \$ 108,255,800 | \$ 105,102,718 |
| 2 | Valley Gateway | Developer | 0.86% | 10,825,900 | 10,510,582 |
| 3 | SCA | Paper Products | 1.70% | 21,375,000 | 20,752,428 |
| 4 | Touchmark On West | Retirement Living Complex | 1.50% | 18,801,100 | 18,253,495 |
| 5 | Cellutissue | Paper Products | 1.08% | 13,494,200 | 13,101,164 |
| 6 | Pierce MFG | Fire & Utility Truck Bodies | 0.91% | 11,453,900 | 11,123,292 |
| 7 | Warehouse Specialists | Warehousing | 0.81% | 10,111,000 | 9,816,505 |
| 8 | Clover Meadows Apts | Residential/Multi Family Living | 0.59% | 7,366,200 | 7,188,253 |
| 9 | Outlook Graphics | Printing, Mailing, Converting | 0.53% | 6,599,300 | 6,407,088 |
| 10 | Thomas Wright | Residential/Multi Family Living | 0.49% | 6,149,500 | 5,970,388 |
| TOTALS | | | 17.09% | \$ 214,431,900 | \$ 208,225,914 |

**The Town of Menasha's Equalized Tax Rate is calculated by using the Assessed Tax Rate times the Assessment Ratio (not the actual value)

Schedule 9

Town of Menasha, Wisconsin

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

| <u>Levy Year</u> | <u>Fiscal Year</u> | <u>Total Tax Levy</u> | <u>Total Tax Collections as of 12/31</u> | <u>Total Collections as Percent of Current Levy</u> | <u>Outstanding Delinquent Personal Property Taxes</u> | <u>Outstanding Delinquent Taxes as Percent of Levy</u> | <u>Collections In Subsequent Years</u> | <u>Total Collections to Date</u> | |
|------------------|--------------------|-----------------------|--|---|---|--|--|----------------------------------|---------------------------|
| | | | | | | | | <u>Amount</u> | <u>Percentage of Levy</u> |
| 2003 | 2004 | 5,984,092 | 5,981,915 | 99.96% | 2,177 | 0.04% | 935 | 5,982,850 | 99.98% |
| 2004 | 2005 | 6,000,232 | 5,996,392 | 99.94% | 3,840 | 0.06% | 2,748 | 5,999,140 | 99.98% |
| 2005 | 2006 | 6,289,649 | 6,288,223 | 99.98% | 1,426 | 0.02% | 1,065 | 6,289,288 | 99.99% |
| 2006 | 2007 | 6,563,629 | 6,559,940 | 99.94% | 3,689 | 0.06% | - | 6,559,940 | 99.94% |
| 2007 | 2008 | 6,870,743 | 6,865,857 | 99.93% | 4,886 | 0.07% | 2,127 | 6,867,985 | 99.96% |
| 2008 | 2009 | 7,122,361 | 7,114,822 | 99.89% | 7,539 | 0.11% | 3,843 | 7,118,665 | 99.95% |
| 2009 | 2010 | 7,424,193 | 7,417,148 | 99.91% | 7,045 | 0.09% | - | 7,417,148 | 99.91% |
| 2010 | 2011 | 7,652,476 | 7,646,260 | 99.92% | 6,216 | 0.08% | - | 7,646,260 | 99.92% |
| 2011 | 2012 | 7,796,787 | 7,791,393 | 99.93% | 5,394 | 0.07% | - | 7,791,393 | 99.93% |
| 2012 | 2013 | 7,821,406 | 7,817,039 | 99.94% | 4,367 | 0.06% | - | 7,817,039 | 99.94% |

Note: Winnebago County purchases all uncollected taxes from the Town except for delinquent personal property taxes. The Town is responsible for the collection of all personal property taxes.

Schedule 10

**Town of Menasha
Outstanding Debt by Type
Last Ten Fiscal Years**

| Fiscal Year | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | | | | | Total Primary Government |
|----------------|--------------------------------|---|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------|--------------------------------|
| | General Obligation Debt | General Obligation Bonds for Debt | <u>Revenue Bonds</u> | | | | Grand Chute Bonds 2009 | | |
| | | | Utility Revenue Bonds** | Grand Chute Bonds 1991 | Grand Chute Bonds 1993 | Grand Chute Bonds 2004 | | | |
| 2004 | \$ 12,433,330 | \$ 1,960,908 | \$ 9,486,999 | \$ 22,769 | \$ 2,339,760 | \$ 1,248,770 | \$ - | \$ 27,492,536 | |
| 2005 | 9,913,835 | 1,600,126 | 16,185,000 | 16,128 | 2,116,689 | 332,436 | - | 30,164,214 | |
| 2006 | 12,603,876 | 1,425,420 | 15,700,000 | 9,231 | 1,884,485 | 317,915 | - | 31,940,927 | |
| 2007 | 13,182,834 | 825,750 | 17,355,001 | 2,067 | 1,642,774 | 302,995 | - | 33,311,421 | |
| 2008 | 13,378,051 | 717,195 | 18,440,001 | 24,088 | 1,391,169 | 287,664 | - | 34,238,168 | |
| 2009 | 11,273,463 | 4,558,263 | 17,605,000 | 16,359 | 556,419 | 271,911 | 5,710,879 | 39,992,294 | |
| 2010 | 12,626,300 | 5,637,438 | 16,690,000 | 8,331 | 283,790 | 255,726 | 5,710,879 | 41,214,474 | |
| 2011 | 10,942,481 | 5,666,959 | 15,739,995 | - | - | 239,096 | 5,710,879 | 38,299,410 | |
| 2012 | 10,737,429 | 6,932,155 | 14,579,997 | - | - | 222,008 | 5,459,582 | 37,931,171 | |
| 2013 | 10,442,670 | 9,675,285 | 13,550,002 | - | - | 204,450 | 5,201,581 | 39,073,988 | |

**This amount excludes proceeds of the 1991, 1993, 2004 and 2009 bonds that were directly paid to Grand Chute Menasha West Sewerage Commission.

Schedule 11

Town of Menasha

RATIO OF OUTSTANDING DEBT TO EQUALIZED VALUATION,
DEBT PER CAPITAL, AND DEBT TO PERSONAL INCOME
Last Ten Fiscal Years

| <u>Calendar Year</u> <u>Ending 12/31</u> | <u>General</u> <u>Outstanding</u> <u>Debt</u> | <u>Equalized</u> <u>Valuation *</u> | Percent of Debt | | <u>Debt Per</u> <u>Capita</u> | <u>Personal</u> <u>Income**</u> | Percentage of <u>Personal</u> <u>Income</u> |
|---|---|--|--------------------------------------|---|----------------------------------|------------------------------------|---|
| | | | <u>Equalized</u> <u>Valuation</u> | <u>Estimated</u> <u>Population**</u> | | | |
| 2004 | 14,394,238 | 1,217,740,400 | 1.18% | 16,695 | 862.19 | N/A | N/A |
| 2005 | 11,513,961 | 1,299,187,400 | 0.89% | 16,924 | 680.33 | N/A | N/A |
| 2006 | 14,029,296 | 1,328,595,035 | 1.06% | 17,005 | 825.01 | 341,419,969 | 4.11% |
| 2007 | 14,008,584 | 1,389,484,200 | 1.01% | 17,180 | 815.40 | 337,205,051 | 4.15% |
| 2008 | 14,095,246 | 1,435,242,400 | 0.98% | 17,375 | 811.24 | 336,918,649 | 4.18% |
| 2009 | 15,831,726 | 1,396,855,400 | 1.13% | 17,390 | 910.39 | 306,141,802 | 5.17% |
| 2010 | 18,263,738 | 1,414,080,300 | 1.29% | 17,430 | 1,047.83 | 313,401,524 | 5.83% |
| 2011 | 16,609,440 | 1,436,584,600 | 1.16% | 18,533 | 896.21 | 318,307,320 | 5.22% |
| 2012 | 17,669,584 | 1,370,537,600 | 1.29% | 18,545 | 952.80 | 340,551,590 | 5.19% |
| 2013 | 20,117,955 | 1,394,275,300 | 1.44% | 18,582 | 1,082.66 | N/A | N/A |

Details regarding the Town's outstanding debt can be found in the notes to financial statements.

* See Schedule 6 for the equalized valuation schedule.

** See Schedule 16 for the population data and personal income data.

Schedule 12

Town of Menasha

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2013

| <u>Jurisdiction</u> | <u>Debt Outstanding</u> | <u>Percent Applicable to the Town of Menasha</u> | <u>Estimate Share of Debt & Overlapping Debt Applicable to the Town of Menasha</u> |
|--|------------------------------------|---|---|
| Direct Debt | | | |
| Town of Menasha | \$ 20,117,955 | 100.00% | \$ 20,117,955 |
| Overlapping Debt | | | |
| Fox Valley Technical College District | 92,880,000 | 4.06% | 3,770,928 |
| Winnebago County | 46,469,519 | 11.68% | 5,427,640 |
| Menasha Joint School District | 13,202,500 | 29.43% | 3,885,496 |
| Neenah Joint School District | 495,000 | 26.40% | 130,680 |
| Appleton Area School District | 32,430,000 | 0.09% | 29,187 |
| Total Overlapping Debt | \$ 185,477,019 | | \$ 13,243,931 |
| Total Direct and Overlapping Debt | \$ 205,594,974 | | \$ 33,361,886 |

Note: The percent of debt applicable to the Town of Menasha is based on the percentage of the Town of Menasha's equalized value in the taxing jurisdiction to the total taxing jurisdiction's equalized value.

Sources: The town debt information is from the notes to financial statements.
The other jurisdiction information was obtained directly from those entities.

Schedule 13

Town of Menasha

**COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Equalized Value of Real and Personal Property | \$ 1,217,740,400 | \$ 1,299,187,400 | \$ 1,328,595,035 | \$ 1,389,484,200 | \$ 1,435,242,400 | \$ 1,396,855,400 | \$ 1,414,080,300 | \$ 1,436,584,600 | \$ 1,370,537,600 | \$ 1,394,275,300 |
| Debt Limit, Five (5) Percent of Equalized Valuation (Wisconsin Statutory Limitation) | 60,887,020 | 64,959,370 | 66,429,752 | 69,474,210 | 71,762,120 | 69,842,770 | 70,704,015 | 71,829,230 | 68,526,880 | 69,713,765 |
| Amount of Debt Applicable to Debt Limitation: Total Obligation Bonds and Loans Applicable to Debt Limit at December 31, 2013 | 14,394,238 | 11,513,961 | 14,029,296 | 14,008,584 | 14,095,246 | 15,831,726 | 18,263,738 | 16,609,440 | 17,669,584 | 20,117,955 |
| Less: Assets in Debt Service Fund Available for Payment of General Obligation Debt | (1,160,047) | (593,452) | (587,603) | (915,433) | (1,070,076) | (990,489) | (911,239) | (972,156) | (1,005,765) | (868,540) |
| Net Amount of Debt Applicable to Debt Limit | 13,234,191 | 10,920,509 | 13,441,693 | 13,093,151 | 13,025,170 | 14,841,237 | 17,352,499 | 15,637,284 | 16,663,819 | 19,249,415 |
| Legal Debt Margin | \$ 47,652,829 | \$ 54,038,861 | \$ 52,988,059 | \$ 56,381,059 | \$ 58,736,950 | \$ 55,001,533 | \$ 53,351,516 | \$ 56,191,946 | \$ 51,863,061 | \$ 50,464,350 |
| Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit | 21.74% | 16.81% | 20.23% | 18.85% | 18.15% | 21.25% | 24.54% | 21.77% | 24.32% | 27.61% |

Sources: Town of Menasha footnotes and Schedule 6.

Schedule 14

Town of Menasha, Wisconsin

REVENUE BOND COVERAGE
Water and Sewer Utility

Last Ten Fiscal Years

| Fiscal Year | Direct Operating Revenues | Investment Income | Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | Required Coverage | Coverage Rate |
|-------------|---------------------------|-------------------|---------------------------|--|---------------------------|------------|--------------|-------------------|---------------|
| | | | | | Principal | Interest | Total | | |
| 2004 | \$ 5,765,009 | \$ 127,890 | \$ 4,025,687 | \$ 1,867,212 | \$ 650,524 | \$ 573,524 | \$ 1,224,048 | \$ 1,530,060 | 1.53 |
| 2005 | 5,955,021 | 331,459 | 3,718,655 | 2,567,825 | 738,622 | 736,200 | 1,474,822 | 1,843,528 | 1.74 |
| 2006 | 5,804,205 | 682,344 | 4,008,557 | 2,477,992 | 938,793 | 726,905 | 1,665,698 | 2,082,123 | 1.49 |
| 2007 | 6,039,065 | 797,282 | 4,309,822 | 2,526,525 | 989,005 | 835,432 | 1,824,437 | 2,280,546 | 1.38 |
| 2008 | 6,233,378 | 487,755 | 4,609,611 | 2,111,522 | 835,000 | 780,754 | 1,615,754 | 2,019,693 | 1.31 |
| 2009 | 6,764,677 | 400,594 | 4,887,722 | 2,277,549 | 915,000 | 714,400 | 1,629,400 | 2,036,750 | 1.40 |
| 2010 | 6,664,514 | 272,927 | 5,407,863 | 1,529,578 | 950,000 | 678,245 | 1,628,245 | 2,035,306 | 0.94 |
| 2011 | 7,245,465 | 163,648 | 5,269,018 | 2,140,095 | 985,000 | 639,795 | 1,624,795 | 2,030,995 | 1.32 |
| 2012 | 8,783,104 | 116,933 | 5,526,814 | 3,373,223 | 1,030,000 | 543,178 | 1,573,178 | 1,966,473 | 2.14 |
| 2013 | 8,562,907 | 39,940 | 5,154,558 | 3,448,289 | 1,070,000 | 507,637 | 1,577,637 | 1,972,046 | 2.19 |

Note: Details regarding the town's outstanding debt can be found in the notes to financial statements. Direct operating expenses do not include interest, depreciation or amortization expenses.

Schedule 15

Town of Menasha, Wisconsin

WATER UTILITY DATA

TEN LARGEST WATER USERS

Year Ending December 31, 2013

| <u>Name</u> | <u>Nature of Business</u> | <u>Thousands of Gallons (000)</u> | <u>Water Billing</u> |
|---|-----------------------------------|-----------------------------------|----------------------|
| 1 Clearwater Paper Corp | Paper Products Manufacturing | 99,044 | 42,056 |
| 2 Kimberly-Clark (Feminine Care) | Feminine Care Products | 28,122 | 120,765 |
| 3 SCA Tissue North America | Paper Products Manufacturing | 16,900 | 74,113 |
| 4 Pierce Manufacturing | Fire & Utility Truck Bodies | 15,385 | 71,481 |
| 5 Kimberly Clark (W. Research) | Paper Products Manufacturing | 10,000 | 45,610 |
| 6 Chapman Ave | Plastic Mfg | 5,927 | 32,119 |
| 7 Meadow Development | Mobile Home Park | 5,156 | 23,849 |
| 8 Great Northern Container | Corrugated Container Manufacturer | 4,637 | 21,166 |
| 9 Theda Care | Medical | 3,933 | 18,688 |
| 10 Fox Valley Home Estate | Mobile Home Park | 3,665 | 17,557 |
| Total of Ten Largest Retail Users | | <u>192,769</u> | <u>\$ 467,403</u> |
| Total Water Utility | | <u>690,322</u> | <u>\$ 4,780,702</u> |
| Ten Largest as Percent of Total Water Utility | | 28% | 10% |

HISTORICAL WATER USAGE

(thousands of gallons)
Last Ten Fiscal Years

| <u>Calendar Year</u> | <u>Gallons Billed</u> | <u>Gallons Pumped</u> |
|----------------------|-----------------------|-----------------------|
| 2004 | 842,263 | 1,104,705 |
| 2005 | 878,165 | 1,098,974 |
| 2006 | 825,168 | 1,083,813 |
| 2007 | 909,841 | 1,071,943 |
| 2008 | 761,821 | 978,373 |
| 2009 | 782,398 | 989,149 |
| 2010 | 718,535 | 988,817 |
| 2011 | 754,451 | 984,133 |
| 2012 | 754,589 | 957,009 |
| 2013 | 690,322 | 894,747 |

DAILY DEMAND STATISTICS

(thousands of gallons per day)
Last Ten Fiscal Years

| <u>Calendar Year</u> | <u>Average Daily Demand</u> | <u>Maximum Daily Demand</u> | <u>Maximum Rated System Capacity</u> |
|----------------------|-----------------------------|-----------------------------|--------------------------------------|
| 2004 | 3,027 | 4,295 | 3.90 |
| 2005 | 3,011 | 4,750 | 3.90 |
| 2006 | 2,969 | 4,585 | 3.90 |
| 2007 | 2,937 | 4,584 | 3.90 |
| 2008 | 2,680 | 3,828 | 3.90 |
| 2009 | 2,710 | 3,767 | 3.90 |
| 2010 | 2,709 | 3,518 | 7.40 |
| 2011 | 2,694 | 3,599 | 6.90 |
| 2012 | 2,621 | 3,993 | 6.90 |
| 2013 | 2,451 | 3,590 | 6.90 |

Source: Town of Menasha Water Utility billing records.

Schedule 16

Town of Menasha

DEMOGRAPHIC STATISTICS

Last Eight Fiscal Years*

| Fiscal Year | Town of Menasha Population ⁽¹⁾ | Personal Income ⁽²⁾ | AGI Per Return ⁽²⁾ | Annual Average Unemployment Rate ⁽³⁾ |
|------------------------|--|---|--|--|
| 2006 | 17,005 | 341,419,969 | 55,769 | 4.5 |
| 2007 | 17,180 | 337,205,051 | 54,910 | 4.4 |
| 2008 | 17,375 | 336,918,649 | 54,535 | 4.3 |
| 2009 | 17,390 | 306,141,802 | 51,643 | 7.8 |
| 2010 | 17,430 | 313,401,524 | 52,268 | 7.4 |
| 2011 | 18,533 | 318,307,320 | 52,300 | 6.7 |
| 2012 | 18,545 | 340,551,590 | 54,350 | 6.4 |
| 2013 | 18,582 | N/A | N/A | 6.2 |

* The Town will continue to annually report information until this schedule includes 10 fiscal years.

⁽¹⁾ Wisconsin Department of Revenue

⁽²⁾ Wisconsin Department of Revenue, AGI for all returns filed for Town of Menasha residents

⁽³⁾ Wisconsin Department of Workforce Development, annual rates for the Oshkosh-Neenah Metropolitan Statistical Area, not seasonally adjusted.

Schedule 17

Town of Menasha, Wisconsin

PRINCIPAL INDUSTRIAL AND COMMERCIAL EMPLOYERS

December 31, 2013

| <u>Company Name</u> | <u>Product or Service</u> | <u>Number of Employees*</u> | <u>Percentage of the Fox Valley Area[#]</u> |
|---------------------------------|-------------------------------------|-----------------------------|--|
| 1 Kimberly-Clark Corporation | Paper Products Manufacturer | 3,200 ** | 1.40% |
| 2 RR Donnelley (formerly Banta) | Printing, Packaging and Mailing | 1,750 ** | 0.76% |
| 3 Pierce Manufacturing | Fire and Utility Truck Manufacturer | 2,200 | 0.96% |
| 4 SCA Tissue | Paper Products Manufacturer | 1,100 | 0.48% |
| 5 Miron Construction | Construction | 1,000 | 0.44% |
| 6 Faith Technologies | Electrical Contractors | 1,000 ** | 0.44% |
| 7 Clearwater Paper | Paper Products Manufacturer | 500 | 0.22% |
| 8 Outlook Graphics | Printing, Mailing & Converting | 480 | 0.21% |
| 9 Pitney Bowes Inc | Mailing Machine Rental/Leases | 450 | 0.20% |
| 10 Warehouse Specialists Inc | General Warehouse/Storage | 350 | 0.11% |

*Source: Wisconsin's WorkNet <http://worknet.wisconsin.gov>; 2010 Wisconsin Manufacturers and Businesses Directory by Harris InfoSource (A Division of D&B); Fox Cities Chamber of Commerce Major Employers.

** This figure includes employees throughout the Fox Cities.

[#] Source: Robert W Baird Debt Borrowing

PRINCIPAL INDUSTRIAL AND COMMERCIAL EMPLOYERS

December 31, 2004

| <u>Company Name</u> | <u>Product or Service</u> | <u>Number of Employees*</u> | <u>Percentage of the Fox Valley Area[#]</u> |
|------------------------------|-------------------------------------|-----------------------------|--|
| 1 Kimberly-Clark Corporation | Paper Products Manufacturer | 5,730 ** | 1.80% |
| 2 Pierce Manufacturing | Fire & Utility Vehicle Manufacturer | 1,500 | 0.47% |
| 3 Menasha Corporation | Corrugated Container Manufacturer | 1,312 | 0.41% |
| 4 SCA | Paper Napkins, Table Covers | 1,260 | 0.40% |
| 5 Banta Corporation | Printer of Books and Periodicals | 530 | 0.17% |
| 6 Outlook Graphics | Commercial Printing | 615 | 0.19% |
| 7 Miron Construction | Construction | 300 | 0.09% |
| 8 Cellu Tissue | Paper Products Manufacturer | 235 | 0.07% |
| 9 GNC | Corrugated Container Manufacturer | 200 | 0.06% |
| 10 Hayes Mfg | Paper Core Manufacturer | 150 | 0.05% |

* Source: Fox Cities Chamber of Commerce & Industry and the 2004 WI Manufacturers Register.

** This figure includes employees throughout the Fox Cities.

[#] Source: Local Area Unemployment Statistics, Wisconsin Department of Workforce Development

Schedule 18

Town of Menasha, Wisconsin

SCHEDULE OF INSURANCE IN FORCE
6/1/2013-6/1/2014

| <u>Type of Coverage</u> | <u>Carrier</u> | <u>Limits of Coverage</u> | <u>Premium</u> |
|--|--|----------------------------------|-----------------------|
| Public Entity Liability (Public Officials, Law Enforcement, General/Auto Liability) | Community Insurance Corporation Aegis Corporation | \$ 3,000,000 \$1,000 ded | \$ 57,708 |
| Public Employee Theft | Aegis Corporation | \$ 500,000 \$2500 ded | \$ 2,225 |
| Money & Securities, Inside | | \$ 20,000 \$500 ded | |
| Money & Securities, Outside premises | | \$ 20,000 \$500 ded | |
| Contractors Equipment | Selective Insurance | \$ 2,035,856 \$1,000 ded | \$ 7,126 |
| Buildings, Personal Property and Property in the Open | Selective Insurance | \$ 28,768,367 \$1,000 ded | \$ 29,562 |
| Auto (Comprehensive & Collision) | Selective Insurance | \$ 5,201,838 \$1,000 ded | \$ 14,023 |
| Boiler and Machinery | Selective Insurance | \$ 28,768,367 \$1,000 ded | included above |
| Workers Compensation | Aegis Corporation | \$ 100,000 Ea. Accident | \$ 135,143 |
| | Community Insurance Corporation | \$ 500,000 Policy. Limit | |
| | Benchmark Insurance Company | \$ 100,000 Ea. Employee | |
| Storage Tank Third Party Liability | Zurich Insurance Company | \$ 1,000,000 \$5,000 ded | \$ 2,216 |
| Flood and Earthquake | Selective Insurance | \$ 10,000,000 \$25,000 ded | \$ 3,774 |

Schedule 19

Town of Menasha, Wisconsin

MISCELLANEOUS STATISTICS

December 31, 2013

Organized: April 3, 1855

Form of Government: Board of Supervisors

| | <u>2013</u> | | <u>2013</u> |
|--------------------------------|-------------|---------------------------------|---------------|
| Population | 18,582 | Permanent Town Employees | |
| | | Full Time | 80 |
| Area Square Miles | 12.5 | Part Time | 45 |
| Acres - Land | 8,171 | Seasonal/Casual/Temporary | 118 |
| Acres - Water | 379 | | |
| | | Fire Protection | |
| Altitude | 810-830 ft. | Number of Stations | 2 |
| | | Number of Firefighters | 55 |
| Miles of Streets | | Fulltime | 4 |
| Local Streets | 73.54 | Paid On-Call | 51 |
| Arterial/Collector Highways | 24.3 | | |
| | | Police Protection | |
| Number of Street Lights | 1,143 | Number of Stations | 1 |
| | | Number of Police Officers | 26 |
| Utility District | | Parks and Recreation | |
| Average Number of Customers | 8,486 | Acreage | 260.47 |
| Avg Daily Water Consumption | 2,451,000 | Number of Parks | 16 |
| Miles of Water Mains | 133.72 | Trails (miles) | 19.8 |
| Miles of Sanitary Mains | 118.71 | | |
| Water Towers | 3 | Building Permits | |
| Lift Stations | 8 | Permits Issued | 759 |
| Water Treatment Plants | 3 | Estimated Cost of Construction | \$ 21,196,561 |
| Reservoirs | 3 | | |

Source: Town departments

Schedule 20

Town of Menasha, Wisconsin

Operating Indicators by Function/Program

| Function/Program | 2013 | Function/Program | 2013 |
|--------------------------------|-------------|--|-------------|
| General Government | | Refuse Collection | |
| Building Permits issued | 759 | Refuse collected (tons per day) | 19.36 |
| Building Inspections conducted | 971 | Recyclables collected (tons per day) | 13.75 |
| | | Yard Waste collected (tons per day) | 6.32 |
| Police | | Parks and Recreation | |
| Parking Violations | 926 | Park rentals | 168 |
| Traffic Violations | 6,608 | Community Center rentals | 295 |
| Fire | | Water | |
| Emergency responses (non EMS) | 317 | New connections | 31 |
| Inspections: | | Water Main breaks | 44 |
| Routine visits | 1,126 | Average daily consumption (thousand/gallons) | 2,451 |
| Tank program | 24 | Peak daily consumption (thousand/gallons) | 3,590 |
| Certificate of Occupancies | 46 | | |
| Compliance visits | 29 | Sewer (millions of gallons) | |
| Special visits | 3 | Average daily sewage treatment (GCMW) | 2.46 |
| Nuisance Abatement Taskforce | 1 | Average daily sewage treatment (NMSC) | 1.71 |
| EMS Calls | 660 | | |

Source: Town departments

Assumes 365 days per year

Schedule 21

Town of Menasha, Wisconsin
Capital Asset Statistics by Function/Program

| Function/Program | 2013 | Function/Program | 2013 |
|-----------------------------|-------------|--|-------------|
| Police | | Other Public Works | |
| Stations | 1 | Streets (miles) | 97.84 |
| Patrol Units | 12 | Streetlights | 1,143 |
| | | Traffic Signals | 65 |
| Fire | | Water | |
| Stations | 2 | Water mains (miles) | 133.72 |
| | | Fire Hydrants | 1,335 |
| Parks and Recreation | | Storage capacity (thousand/gallons) | 3,900 |
| Acreage | 260.47 | Sewer | |
| Playgrounds | 13 | Sanitary sewers (miles) | 118.71 |
| Baseball/Softball diamonds | 7 | Sewage lift station force mains (miles) | 6.21 |
| Soccer/football fields | 5 | Treatment capacity (GCMW) millions/gallons | 13.1 |
| Community Centers | 1 | Treatment capacity (NMWS) millions/gallons | 12.8 |

Source: Town departments

Schedule 22

Town of Menasha

**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Seven Fiscal Years***

| <u>Function/Program</u> | <u>Full-time Equivalent Employees as of December 31</u> | | | | | | |
|-----------------------------|---|----------|--------|--------|--------|--------|--------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Government | | | | | | | |
| Administration | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 | 2.250 | 2.250 |
| Assessing | 2.000 | 2.000 | 2.000 | 1.000 | 1.000 | 1.288 | 1.288 |
| Clerk | 1.538 | 1.788 | 1.750 | 1.750 | 1.750 | 1.654 | 1.654 |
| Community Development | 4.287 | 4.433 | 4.337 | 4.337 | 4.500 | 4.337 | 4.337 |
| Finance | 7.003 | 7.0029 | 6.603 | 6.603 | 6.603 | 6.603 | 6.603 |
| Information Technology | 1.000 | 1.500 | 1.500 | 1.500 | 1.500 | 2.000 | 2.000 |
| Municipal Court | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Police | | | | | | | |
| Officers | 26.000 | 26.000 | 26.000 | 26.000 | 26.000 | 26.000 | 26.000 |
| Civilians | 8.107 | 8.107 | 8.078 | 7.144 | 7.144 | 6.894 | 6.894 |
| Fire | | | | | | | |
| Officers | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 |
| Civilians | 1.480 | 1.312 | 1.168 | 1.060 | 1.060 | 1.060 | 1.060 |
| Firefighters | 8.547 | 8.749 | 8.749 | 8.470 | 8.447 | 9.084 | 9.084 |
| Public Works | 9.864 | 9.864 | 9.864 | 10.872 | 10.872 | 10.872 | 10.872 |
| Parks and Recreation | 8.794 | 8.978 | 8.978 | 8.978 | 8.978 | 8.978 | 9.224 |
| Water | 10.288 | 10.288 | 10.288 | 10.288 | 10.000 | 8.788 | 8.788 |
| Wastewater | 4.288 | 4.288 | 4.288 | 4.288 | 4.288 | 4.788 | 4.788 |
| GRAND TOTAL | 99.196 | 100.3099 | 99.603 | 98.290 | 98.142 | 98.596 | 98.842 |

Source: Town departments

The Town of Menasha Stormwater Utility was created on August 3, 2009. Currently, we are utilizing our existing employees in various departments throughout the Town of Menasha for the Stormwater Utility functions.

* The Town will continue to annually report information until this schedule includes ten (10) fiscal years in compliance with GASB No. 34 implemented in 2003.

Several general government employees have a portion of their job duties allocated to Water and Wastewater; however, for these employees, the above schedule shows the full FTE in general government.