



**Town of Menasha,
Wisconsin**

**Comprehensive
Annual
Financial
Report**

as of and for the year ended
December 31, 2014

Town of Menasha, Wisconsin
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

Prepared By:
FINANCE DEPARTMENT

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

TOWN OF MENASHA, WISCONSIN

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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 3, 2015

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

The 2014 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

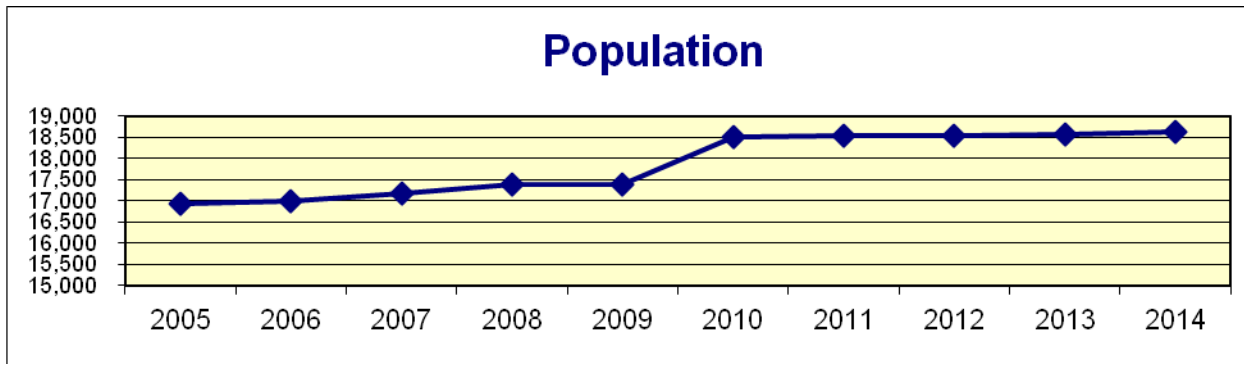
The Town of Menasha comprises an area of 12.5 square miles and 97.84 miles of roads, and is strategically located in East Central Wisconsin in the heart of the Fox River Valley, which is approximately 90 miles north of Milwaukee. The Town is one of seventeen communities that comprise the Neenah-Oshkosh 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 Village of Harrison, and 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 18,624. 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 2013-14 was 3,661 students. Neenah Joint School District facilities include one high school, two middle schools and ten elementary schools. Student enrollment for 2013-14 was 6,226. 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 2014 tax rate was \$5.56 per \$1,000 of equalized value or \$5.48 per \$1,000 of assessed value. The equalized tax value on January 1, 2014 increased 2.89%; whereas, the assessed value decreased \$5,719,200 or 0.39%, from \$1,461,273,000 to \$1,455,553,800. For 2014, the assessment ratio was 101.54% compared to 105.80% in 2013, 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 1.54% higher than the average property sales in 2014 compared to 5.80% higher in 2013. 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 101.54% in 2014 compared to 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. Fiscal year 2014 showed the most building activity and property value since 2010, and generated 55% more building value than last year with \$33 million compared to 21.2 million in 2013. The major 2014 projects for approximately 35% of the permit value include a new \$7 million private middle school, a new \$3 million apartment complex with 84 units and \$2 million for additions and alterations to an assisted living facility.

Another reason for potential economic growth in the Town of Menasha is that the Wisconsin Department of Transportation (WisDOT) has developed plans to reconstruct the US 10/WIS 441 freeway. The WIS 441 Tri-County Project, which is currently under construction, will reconstruct and expand US 10/WIS 441 from four to six lanes from Cold Spring Road to about 1/2 mile east of Oneida Street (approximately 6 miles). This project includes reconditioning the existing bridge that spans Little Lake Butte des Morts, and adding a new parallel bridge south of the existing bridge to handle eastbound traffic. The reconstruction project will make the US 41 and US 10/WIS 441 interchange a full interchange. It will restore missing ramp movements for northbound US 41 to westbound US 10 and eastbound US 10 to northbound US 41.

The project is needed to address safety concerns and traffic demands on one of the region's vital transportation routes. Currently, the crash rates on US 10/WIS 441 exceed statewide averages for similar urban freeways. Traffic volume is expected to rise on US 10/WIS 441 in the years ahead, and additional traffic lanes are needed to safely accommodate this increase. Most of the existing interchanges also need improvements. Since the interchange is in the Town of Menasha, this will increase the economic viability of development projects in the community.

As seen in the Statistical Section, Schedule 16, the 2014 average annual unemployment rate for the Oshkosh-Neenah Metropolitan Statistical Area was 5.3% compared to 6.2% in 2013, 6.3% in 2012, 6.7% in 2011, 7.4% in 2010 and 7.8% in 2009. Additionally, the annual 2014 local unemployment rate of 5.3% compared to 6.2% nationally and 5.5% 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, and continuing to improve.

In addition to current economic growth, there has also been strong financial growth in the Town, over the last several years. From 2005 through 2014, the General Fund Balance has increased \$3,176,477, 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 throughout those years. In 2014, the Town of Menasha had a \$560,149 increase in general fund balance, compared to \$58,382 in 2013. The 2014 unassigned general fund balance is at 28% 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 2015. 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, along with an increase to economic revenue growth.

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, over 10 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. 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, 2014 there was \$2,367,471 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 six years, this committee has undertaken many projects, including holding biannual electronics recycling events here at the Town in the spring and fall and creating community gardens at Schildt Park. 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. Four more plots will be added in 2015. The purpose of the community and teaching gardens is to promote and educate residents about sustainable local, organic food production and healthy eating. These efforts will be continued in 2015 to further the Committee's goal of promoting sustainable food production and healthy living. The committee is looking into establishing a community garden on the east side of the town possibly in 2016. Different possible locations are currently being assessed. Also, in 2015, 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, Village of Harrison, 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 2014, the Utility purchased 17.1% of total pumped water from the City of Menasha compared to 16.8% in 2013. 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 2014, the Town had 691 million gallons of water sold, compared to 690 million in 2013, 755 million in 2012, 754 million in 2011 and 718 million in 2010.

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 approximately 120 miles of sewer mains.

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 2014. 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, 2014, the Town's general obligation debt of \$21,391,825 was well below the legal limit of \$71,727,695 (29.82%), and debt per capita equaled \$1,149. 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 continued into fiscal year 2014.

Independent Audit

State Statutes require an audit by independent certified public accountants. The Town selected the accounting firm of KerberRose SC. 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.

Reporting Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Menasha for its comprehensive annual financial report for the fiscal year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, KerberRose SC, 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 2014 budget anticipated using fund balance to offset various one-time purchases. Due to the expenditure savings and increased revenue, the general fund balance was not needed to offset the 2014 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



Government Finance Officers Association

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

Presented to

**Town of Menasha
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

**TOWN OF MENASHA
DIRECTORY OF OFFICIALS
At December 31, 2014**

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

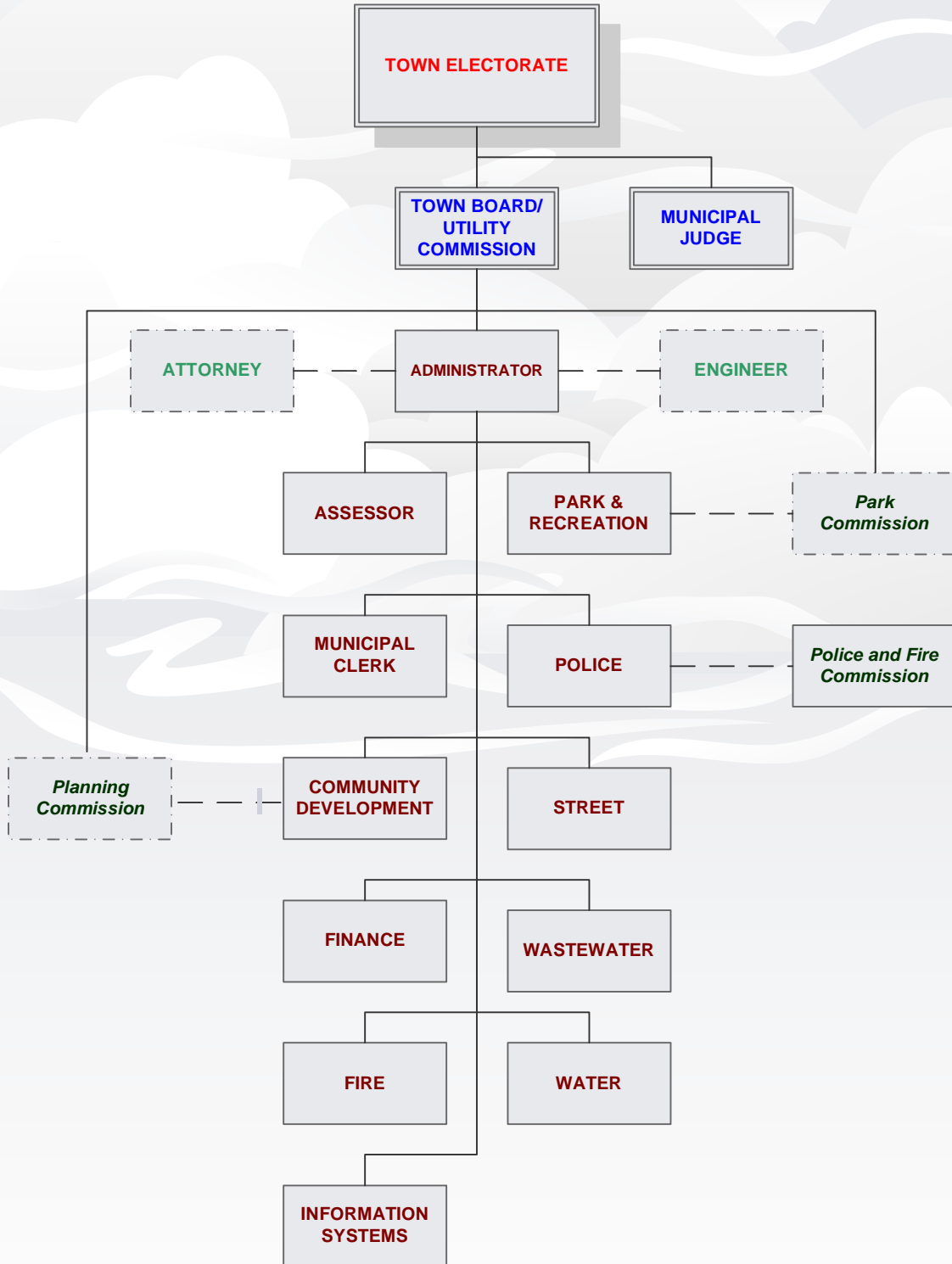
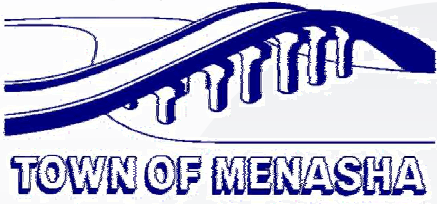
Town Administrator	Jeffrey Sturgell
Town Clerk	Karen Backman
Director of Finance	Myra Piergrossi
Director of Community Development	George Dearborn
Fire Chief	Keith Kiesow
Network Administrator	Tim Plagenz
Director of Parks and Recreation	Michael Kading
Police Chief	Rodney McCants
Street Superintendent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

PLANNING COMMISSION

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

PARK COMMISSION

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



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Town Board
Town of Menasha
Menasha, Wisconsin

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 (Town) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town'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 auditor's 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Menasha, Wisconsin as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Town Board
Town of Menasha, Wisconsin

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 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.

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 introductory section, supplementary information and statistical section as identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information, except the budget 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 supplementary information, except the budget information, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections as well as the budgetary information included in the supplementary information have 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 them.


KerberRose SC
Certified Public Accountants
April 3, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF MENASHA, WISCONSIN

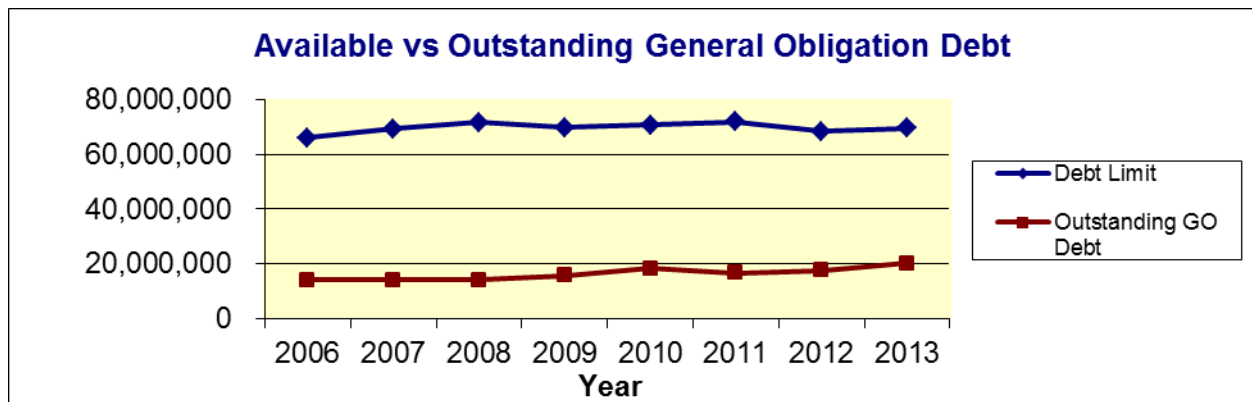
MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED

As of and For Year Ended December 31, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

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 2014 the coverage requirement was \$1,949,045 and the utility generated \$991,596 above the requirement. In 2013 the coverage requirement was \$1,972,046 and the utility generated \$1,476,243 above the requirement.
- The Town of Menasha's debt capacity is \$71,727,695, which is 5% of the Town's equalized value of taxable property. The total outstanding general obligation debt at year end was \$20,427,982, or 30% of the possible debt capacity, and is only 1.49% of the Town's equalized value. The Town's debt equates to approximately \$1,150 per capita. In 2013, the general obligation debt was at \$20,117,955.



- 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 2014.
- 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 or maintain the overall debt levels, the Town decided not to borrow for new water and sewer utility capital projects in fiscal years 2012, 2013 and 2014. In 2015, the water utility will be issuing debt for its 2015 capital improvement plan; however, the sewer utility will continue using depreciation funds to invest in main replacements for the 2015 sewer capital projects.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

- In February 2014, the Town of Menasha refinanced the Water and Sewer Utility's 2004 Revenue Bonds. With this refinance, the Utility saved \$176,823 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, 2014, the balance of the General Fund monies advanced to the Stormwater Utility totals \$274,082. The Stormwater Utility is shown as a proprietary fund in the 2014 financial statements.
- As of the close of the current fiscal year, the Town of Menasha's governmental funds reported combined ending fund balances of \$11,178,471, an increase of \$288,493 in comparison with the prior year. The main increase occurred in the general fund. This fund is for the main operations of the Town of Menasha. Approximately 30% of the combined fund balance, \$3,327,238, is unassigned and available for use within the Town's designations and policies. The remaining total governmental fund balance of \$7,851,233 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 \$3,327,238 for the general fund. This is approximately 38% of the 2014 total general fund expenditures and other financing uses. If compared to \$2,117,772 in 2013, this is a \$1,209,466 increase. Part of the increase in unassigned fund balance is due to the payment in lieu of taxes being assigned in 2013 and unassigned in 2014. Since the Town budgeted to use \$407,596 in fund balance in 2014, 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, along with the increase in economic conditions in the Town of Menasha.
- 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, 2014

FINANCIAL HIGHLIGHTS (cont.)

- The total assets of the Town of Menasha exceeded its liabilities at the close of the most current fiscal year by \$115 million, which is an increase of 2%. Of this amount, \$18 million may be used to meet the government's obligations to citizens and creditors.
-

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 Financial 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.

The *Statement of Net Position* presents information on all of the Town's assets, liabilities, and deferred inflows and outflows with the difference 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 37 to 40 of this report.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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.

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 41 to 46 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.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

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 47 to 51 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 52 of this report.

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 53 to 82 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 83 to 86 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 87 to 102 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 Activities. 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.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

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

**Statement of Net Position
(in millions of dollars)**

	Governmental Activities		Business-type Activities		Totals		Total Percentage Change
	2013	2014	2013	2014	2013	2014	2013-2014
Current and Other Assets	21.26	21.63	22.52	22.33	43.78	43.96	0.41%
Capital Assets	58.10	59.03	62.07	63.41	120.17	122.44	1.89%
Deferred Outflows	0.00	0.00	0.01	0.01	0.01	0.01	0.00%
Total Assets and Deferred Outflows	79.36	80.66	84.60	85.75	163.96	166.41	1.49%
Current Liabilities	1.36	1.14	0.93	1.13	2.29	2.27	(0.87%)
Non-Current Liabilities	11.24	11.76	29.08	28.57	40.32	40.33	0.02%
Deferred Inflows	8.72	8.82	0.00	0.00	8.72	8.82	1.15%
Total Liabilities and Deferred Inflows	21.32	21.72	30.01	29.70	51.33	51.42	0.18%
Net Investment in Capital							
Assets	47.72	48.57	43.84	45.04	91.56	93.61	2.24%
Restricted	0.45	0.41	3.16	3.86	3.61	4.27	18.28%
Unrestricted	9.87	9.86	7.59	7.15	17.46	17.01	(2.58%)
Total Net Position	58.04	58.84	54.59	56.05	112.63	114.89	2.01%

(Totals may vary due to rounding.)

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 \$114,888,574 as of December 31, 2014.

The largest portion of the Town's net position, 80%, 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.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2014

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

An additional portion of the Town's net position, 3.7%, represents resources that are subject to external restrictions on how the funds may be used.

The remaining balance of unrestricted net position, \$17,011,255, 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, 2014. Governmental activities increased the Town of Menasha's net position by approximately \$800,000. Business-type activities increased the Town's net position by approximately \$1.5 million. On the 2013 financial statements, there was a total increase of approximately \$3 million in net position from 2012. This represented a \$0.6 million increase in governmental net position and \$2.4 million increase in business-type activities.

In the following table, for both governmental and business-type activities, capital grants and contribution revenue decreased 72%. This decrease results from significantly less special assessment invoices for infrastructure improvements in 2014, than in 2013. In 2014 the Town of Menasha has started to see an increase in interest revenue. The majority of the change is based on fair market value of the Town's investments increasing. In 2013 for comparison purposes, both governmental and business-type activities, incurred a 42% decrease in interest earnings from 2012, along with a 138% increase in program revenue, capital grants and contributions. For 2014, other general revenue increased 24%, compared to a 14% decrease in 2013. Of this 2014 increase, approximately \$50,000 was from additional sales of equipment and vehicles. Each year this revenue will fluctuate based on the equipment and vehicles being replaced. Overall revenues decreased 0.48% and overall expenses increased 4.66%, resulting in a combined 2.01% or \$2.26 million increase to net position.

In regard to the governmental activities, which are shown in the below table and pie chart, the largest expense for 2014 is the public safety program at 38% or \$4,548,719 of the total expenses, and includes police, fire, building inspections, and emergency government.

The second largest expense is public works. This program is 36% or \$4,328,646 of total expenses. 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.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

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

Statement of Activities

(in millions of dollars)

	Governmental Activities		Business-type Activities		Totals		Total Percentage Change
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013-2014</u>
Revenues:							
<u>Program Revenues:</u>							
Charges for services	1.56	1.98	10.14	9.95	11.70	11.93	1.97%
Operating grants and contributions	0.93	0.94	0.10	0.03	1.03	0.97	(5.83%)
Capital grants and contributions	0.13	0.13	0.99	0.19	1.12	0.32	(71.43%)
<u>General Revenues:</u>							
Property taxes	7.79	7.86			7.79	7.86	0.90%
Other taxes	0.06	0.06			0.06	0.06	0.00%
Intergovernmental	0.60	0.61			0.60	0.61	1.67%
Investment income	0.10	0.13	0.04	0.07	0.14	0.20	42.86%
Rent*		0.11		0.21		0.32	
Other	0.36	0.44	0.02	0.00	0.38	0.44	15.79%
Total Revenues	<u>11.53</u>	<u>12.26</u>	<u>11.29</u>	<u>10.45</u>	<u>22.82</u>	<u>22.71</u>	<u>(0.48%)</u>
Expenses:							
General government	1.60	1.69			1.60	1.69	5.62%
Public safety	4.51	4.55			4.51	4.55	0.89%
Public works	3.64	4.32			3.64	4.32	18.68%
Leisure activities	1.17	1.03			1.17	1.03	(11.97%)
Conservation and development	0.13	0.13			0.13	0.13	0.00%
Interest and fiscal charges	0.46	0.28			0.46	0.28	(39.13%)
Water utility			3.91	4.10	3.91	4.10	4.86%
Sewer utility			3.17	3.27	3.17	3.26	3.15%
Stormwater utility			0.95	1.08	0.95	1.08	13.68%
Total Expenses	<u>11.51</u>	<u>12.00</u>	<u>8.03</u>	<u>8.45</u>	<u>19.54</u>	<u>20.45</u>	<u>4.66%</u>
Net Income before Transfers	0.02	0.36	3.26	2.00	3.28	2.36	(31.10%)
Transfers	0.61	0.54	(0.61)	(0.54)	0.00	0.00	
Change in Net Position	0.63	0.80	2.65	1.46	3.28	2.36	(31.10%)
Beginning Net Position	57.41	58.04	51.94	54.59	109.35	112.63	3.00%
Ending Net Position	<u>58.04</u>	<u>58.84</u>	<u>54.59</u>	<u>56.05</u>	<u>112.63</u>	<u>114.89</u>	<u>2.01%</u>

(Totals may vary due to rounding.)

*Rent Revenue was split from Other Revenue for Governmental Activities and Charges for Service for Business-Type Activities in the 2014 Financial Statements

TOWN OF MENASHA, WISCONSIN

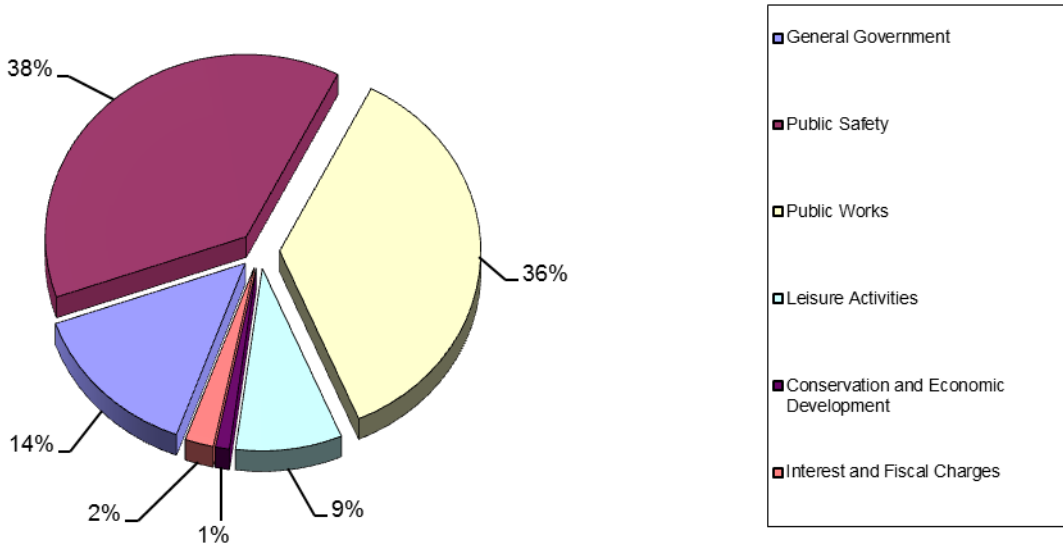
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

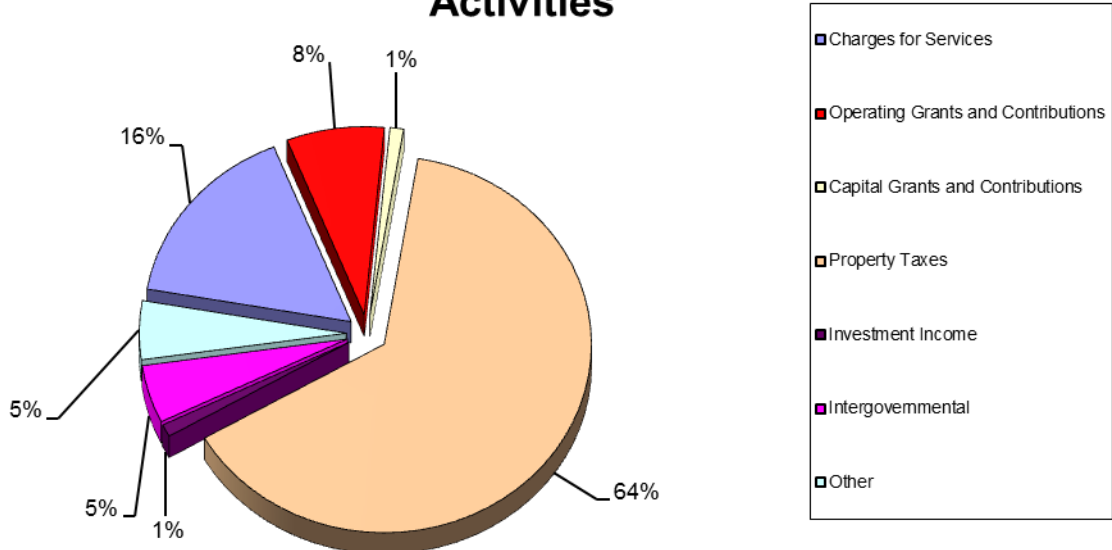
As of and For Year Ended December 31, 2014

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

2014 Expenses by Activity - Governmental Activities



2014 Revenue by Source - Governmental Activities



TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

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

More information on specific capital projects can be seen in the Capital Assets section of this report.

In 2013, these two categories were also the top expense categories for the Town of Menasha. The public works program increased by \$686,554 and the public safety program expenses increased by \$42,449 in 2014.

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 \$11,178,471, an increase of \$288,493 in comparison with the prior year. The main increase occurred in the general fund. This fund is for the main operations of the Town of Menasha. Approximately 25% of the combined fund balance, \$3,327,238, is unassigned and available for use within the Town's designations and policies. The remaining total governmental fund balance of \$7,851,233 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.

Nonspendable fund balance includes: 1) delinquent personal property taxes (\$6,369), 2) prepaid insurance (\$68,607), 3) advances to Stormwater Utility (\$274,082) and 4) long-term loans receivable (\$100,000). Restricted fund balance includes funds that are limited in use by external limitations. As of December 31, 2014, the restricted fund balance totaled \$943,854. 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 \$1,955,126, 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.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

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

Governmental Funds (cont.)

Assigned fund balance is the Town Board designations resulting from intended use, which includes items such as debt retirement (\$806,060), capital projects (\$324,429), and capital equipment replacement (\$2,362,688). 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 (\$725,448). 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, 2014, there is \$80,000 assigned for this purpose. The Town of Menasha has contracted to complete the reassessment in 2016; however if the proposed State of Wisconsin budget passes with the assessing function moved to the counties instead of the local communities, these funds would be reallocated to another project. Another item in the assigned fund balance is an allocation of funds for specific purchases (\$204,570). These items were budgeted in 2014; however, for various reasons the items were not purchased, but will be purchased in 2015.

General Fund

This fund is the main governmental fund; whereas, all operational activities occur here. Of the \$21,966,934 in total governmental assets, the general fund controls 64% or \$14,073,815. Additionally, this fund generated \$8,721,038 in revenues and expended \$8,276,082, compared to \$8,332,426 and \$8,601,059 respectively in 2013.

The General Fund expenditures and other financing uses were significantly less than budgeted, by \$769,359. Of this savings, \$80,000 of these funds were for items that were not purchased in 2014, but have been reallocated for purchase in 2015. Additionally, \$124,570 of these funds have been assigned for 2015 capital assets and one-time equipment purchases.

These significant expenditure savings were due to substantial general fund operational savings, especially since the 2014 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 2014 expenditures, and in fact still incurred an increase to the general fund balance. Over 30% of these cost savings occurred in the public works category with the majority of the savings in fuel and road maintenance costs.

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.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

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

Governmental Funds (cont.)

General Fund (cont.)

The detailed schedule of revenues compared to budget and the detailed schedule of expenditures compared to budget can be found on pages 83 to 86 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 increased \$95,303 to \$963,843; of this amount, \$57,783 is restricted for future debt payments. The debt service assets available for future debt service payments decreased \$43,355 to \$3,169,116 and the liabilities and deferred inflows decreased \$116,925 to \$2,205,273.

Capital Projects Fund

All government borrowed funds for capital purchases are receipted and expended in this fund. In 2014, the fund balance was \$799,013, which is a decrease of \$47,525 from 2013; 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.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

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

Governmental Funds (cont.)

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 2014, this fund had a fund balance of \$2,362,688 or 21% of the total governmental fund balance. This compares to \$2,641,424 or 24% in 2013, \$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 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 fifth debt service payment occurred in 2014.

The Town had a positive revenue variance from budget in the amount of \$12,207 and expenditures were under budget in the amount of \$8,974; however transfers out were \$10,662 over budget. Additionally, \$130,181 of fund balance was budgeted to offset the 2014 budget. Overall, this resulted in a fund balance decrease of \$119,662 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.

TOWN OF MENASHA, WISCONSIN

**MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
UNAUDITED**

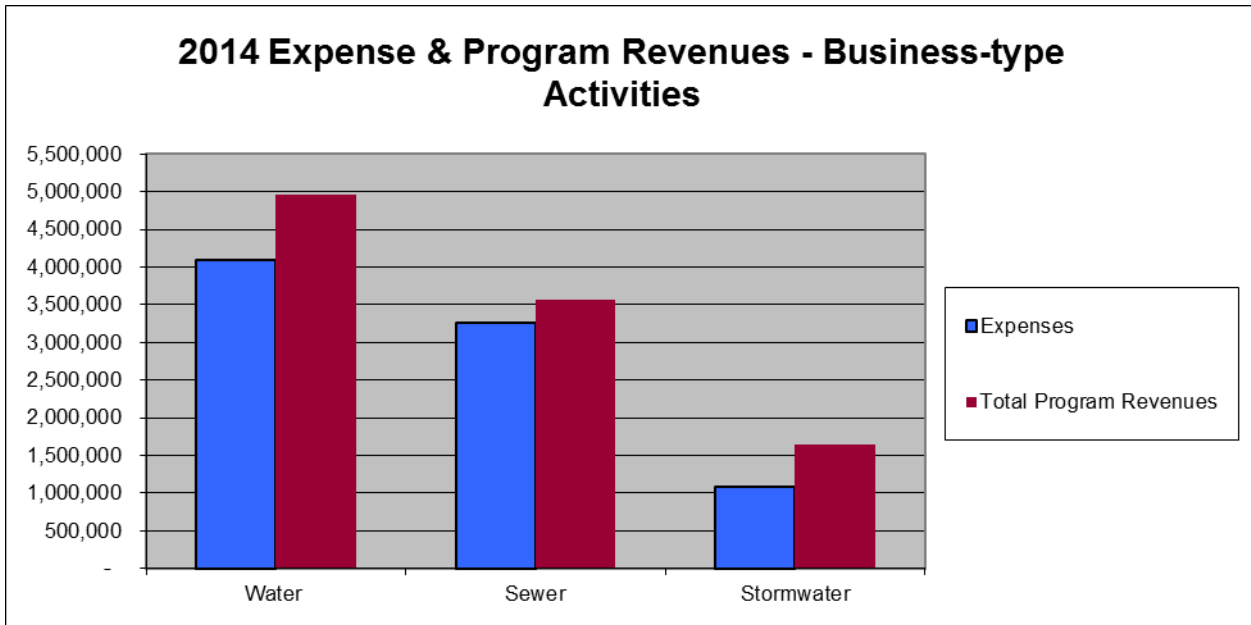
As of and For Year Ended December 31, 2014

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

Proprietary Funds (cont.)

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 2014 the coverage requirement was \$1,949,045 and the utility generated \$991,596 above the requirement, with a 1.89 times debt coverage. 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. A couple of years ago, the Utility District 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, 2014

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

Proprietary Funds (cont.)

Water Utility

In 2014, developers contributed \$35,096 of the water utility infrastructure to accommodate the growth that occurred in the Town of Menasha Utility District. This is compared to \$0 in 2013, \$4,287 in 2012, \$152,787 in 2011, \$106,157 in 2010, and \$2,827 in 2009. Infrastructure contributions had a significant decrease in the past three years. 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, and anticipate a couple of projects in 2015.

In 2014, the Town had 691 million gallons of water sold as compared to 690 million in 2013, 755 million in 2012, 754 million in 2011 and 718 million in 2010. In 2014, the Town of Menasha had a very mild summer, with lower than normal temperature, which resulted in less water consumption than in the past. In 2013, due to a very wet summer less consumption also occurred, compared to 2012 and prior years. However, some of the consumption decrease may also be due to the water rate increase in March 2012, which was the Town of Menasha Utility's last water rate increase with the Wisconsin Public Service Commission.

Comparing water service revenues, 2014 shows a increase of \$196,295 from 2013 due to separating out rent revenue. Overall, the water operating revenue was more than operating expenses by \$1,260,545, and net position increased by \$551,919.

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, 44 in 2013 and 44 in 2014. The associated overtime hours for water breaks has also decreased from 1,290 hours in 2003 to 432 hours in 2014. 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 2014, the Water Utility replaced approximately 1.1 miles of ductile iron water main, compared to 1.1 miles in 2013, 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 34.5 miles, of ductile iron water mains and 74%, or 99.2 miles, of PVC water mains.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

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

Proprietary Funds (cont.)

Sewer Utility

The Sewer Utility maintains 118.71 miles of sewer mains, and eight lift stations. From 2012 to 2013 there were not any infrastructure contributed by developers compared to \$82,745 in 2014 and \$110,450 in 2011. Over the past several years the sewer usage has continued to decrease to the lowest amount in the past 10 years. However, the revenue generated is the second highest in the past 10 years, since the Sewer Utility has had several rate increases over this time frame. The Sewer Utility's last rate increase was January 2013.

The Sewer Utility's goal is to clean the sanitary mains on a four 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 and 2014 the utility implemented a PILOT 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 2015, the flow meters will be reinstalled in the same location to evaluate the effectiveness of this project compared to the cost. The 2014 non-operating cost for the discount to the customers and televising customer laterals was \$54,219 compared to \$73,146 in 2013. These non-operating costs will vary by year depending on the project completed annually. These projects will have a long-term operating cost savings for sewerage treatment, since there will be less I&I into the sewer system for treatment at the plant.

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). Both of these treatment facilities have had upgrades in the last few years, to ensure future capacity needs and State of Wisconsin Department of Natural Resource's treatment requirements.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2014

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

Proprietary Funds (cont.)

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 (DNR) had imposed strict particulate reduction guidelines, which required the construction of 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.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

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

Proprietary Funds (cont.)

Stormwater Utility (cont.)

In 2014 the Town utilized a DNR Stormwater Planning grant and conducted an update to the Town's Total Suspended Solids (TSS) model and determined that the Town currently had a TSS removal level of 35%, which is a large increase from the approximate 22% removal that had been determined under the old model. The increase was due to the inclusion of Tayco Pond and Independence Pond into the particulate reduction numbers, along with a recalculation of particulate reduction from ditch and grass swales within the Town.

While the changes in state statute and the recalculation of the Town's TSS removal model have eased the immediate stormwater requirements for the Town, 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 for the next several years. The Town expects that requirements for Total Maximum Daily Loads (TMDLs) from the federal government will be placed in the Town's MS4 permit within the next couple of years.

In 2014, the Stormwater Utility earned \$1.6 million in operating revenue and had \$1 million in operating expenses, with a \$0.6 million increase to net position. This compares to \$1.6 million in operating revenue, \$0.8 million in operating expenses and a \$1.1 million increase to net position in 2013.

CAPITAL ASSETS

At the end of 2014, the Town had invested a total of \$122 million in capital assets (net of accumulated depreciation), an increase of 1.87% from 2013. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress. In 2013, the Town had \$120 million invested in net capital assets.

As seen in the following table, the most significant value change from 2013 to 2014 in capital assets, net of accumulated depreciation, was the increase in construction in progress assets. The business-type activity construction in progress total amount includes the installation of stormwater main, 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 road and trail construction, along with renovating the Palisades Park pavilion. Below is a summary of the major capital assets.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

CAPITAL ASSETS (cont.)

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

	Governmental		Business-type		Totals		Total
	Activities		Activities				Percentage
	2013	2014	2013	2014	2013	2014	2013-2014
Land and Land Rights	30.06	30.06	1.19	1.19	31.25	31.25	0.00%
Land Improvements	0.17	0.17			0.17	0.17	0.00%
Buildings	6.28	6.71			6.28	6.71	6.85%
Computer Software & Equip	0.14	0.13			0.14	0.13	(7.14%)
Machinery and Equipment	1.49	2.05	2.41	2.32	3.90	4.37	12.05%
Vehicles	1.62	1.59			1.62	1.59	(1.85%)
Roadways	14.92	14.20			14.92	14.20	(4.83%)
Trails	2.00	2.21			2.00	2.21	10.50%
Source of Supply			1.63	1.56	1.63	1.56	(4.29%)
Pumping			1.04	1.03	1.04	1.03	(0.96%)
Treatment			0.92	0.82	0.92	0.82	(10.87%)
Trans. & Dist./Collection			53.53	54.45	53.53	54.45	1.72%
Construction in progress	1.42	1.90	1.36	2.03	2.78	3.93	41.62%
Total	58.10	59.02	62.08	63.40	120.18	122.42	1.87%

(Totals may vary due to rounding.)

East Shady Lane, Southwood Drive, and Arena Drive Road Reconstruction:

Work consisted of the reconstruction of East Shady Lane from Cold Spring Road to American Drive, Arena Drive from East Shady Lane to Trailsway Lane, and Southwood Drive from Valley Road to Wilson Avenue with the installation of curb & gutter, storm sewer main and storm sewer laterals. Additionally on East Shady Lane a ten (10) foot asphalt pedestrian trail was installed on the south side of the road.

Shady Lane Pond:

The Shady Lane pond is a wet detention pond with a synthetic liner. The purpose of the wet pond is to improve stormwater quality and reduce peak flow rates for the 51 acre watershed. A stormwater pond was required, since a ditching system was replaced with a stormwater system as part of the East Shady Lane Reconstruction.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

CAPITAL ASSETS (cont.)

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 2014. The project is anticipated to be finalized in early 2015.

Gordon & Dunning Project Area:

Work consisted of the road reconstruction with the installation of storm sewer main and storm sewer laterals on Gordon Street between Lakeshore Drive and Racine Road, Dunning Street between Gordon Street and Olde Midway Road, Sunset Lane between Gordon Street and Lakeview Lane, and Lakeview Lane between Gordon Street and Midway Road.

Fritsch Park Redevelopment

The Fritsch Park Redevelopment project was started in 2013 and completed in 2014. 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, such as a warming shelter in the winter. Americans with Disabilities Act (ADA) accessibility issues were addressed. The sledding hills were enhanced and a new ice skating rink was developed with landscaped islands to skate around. New play equipment, outdoor fitness area, tennis and basketball courts were also installed.

O'Hauser Park Bridge Addition

O'Hauser Park includes a pay-to-play disc golf course. In this golf course, an in-line stream culvert was removed from the creek bed and a bridge was installed on abutments. The bridge is a welcome addition to the park and will provide a safer and more aesthetically pleasing means to cross the creek from hole #6 to hole #7 on the disc golf course.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2014

CAPITAL ASSETS (cont.)

Palisades Park Pavilion

The entire pavilion was renovated to address deteriorating infrastructure and ADA accessibility. The kitchen was enlarged and new water and sewer lines were installed. This project was started in the fall of 2014 and is anticipated to be completed in 2015.

Additional information on the Town of Menasha's capital assets can be found in note 5. of this report.

LONG-TERM DEBT

In February 2014, the Town of Menasha refinanced the Water and Sewer Utility's 2004 Revenue Bonds. With this refinance, the Utility saved \$176,823 in present value savings over the remaining life of the debt.

In August 2014, the Town of Menasha issued General Obligation Promissory Notes in the amount of \$3,835,000. \$2,265,000 of these funds were for 2014 Town road and park projects, and \$1,570,000 was for stormwater projects.

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 \$21,391,825 which is considerably below the maximum of \$71,727,695.

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

	Governmental		Business-Type		Totals		Total
	Activities		Activities				Percentage
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013-2014</u>
General Obligation	10.44	10.85	9.68	10.54	20.12	21.39	6.31%
Revenue Bonds			18.96	17.59	18.96	17.59	(7.23%)
Total	<u>10.44</u>	<u>10.85</u>	<u>28.64</u>	<u>28.13</u>	<u>39.08</u>	<u>38.98</u>	<u>(0.26%)</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, 2014

LONG-TERM DEBT (cont.)

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 2014.

Starting in 2010, due to financial considerations, the Town of Menasha Utility Commission decided not to borrow for new water and sewer utility capital projects. The utilities choose to use depreciation funds to invest in water and sewer main replacements. This same methodology continued in fiscal year 2014. The water utility anticipates issuing debt for its 2015 capital improvement plan; however, the sewer utility will continue using depreciation funds to invest in main replacements for the 2015 sewer capital projects.

Additional information on the Town of Menasha's long-term debt can be found in note 6 of this report.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

Subsequent Debt Issue

On February 9, 2015, the Town of Menasha closed on Revenue Refunding Bonds, in the amount of \$4,780,000, which refinanced the June 2005 and December 2005 Utility Revenue Bonds. With this refinance, the Utility saved \$488,165 in present value savings over the remaining life of the debt.

Incorporation

On December 16, 2014, two Town of Menasha residents published in the Appleton *Post-Crescent* and Oshkosh *Northwestern* their notice of intent to circulate a petition to incorporate the west side of the Town of Menasha, which is approximately 70% of the Town's equalized property value. This action formally initiated the process to incorporate the west side of the Town into the Village of Fox Crossing, and was based upon the final report and recommendation of the Town of Menasha Incorporation Review Ad Hoc Committee.

The petitioners have indicated that they would like to incorporate the west side of Town and then reunite the new village with the remaining Town on the east side through the annexation process or attachment process at a later date. While the petitioners need 50 signatures for a valid petition, they have indicated that as of March 2015 they already have over 200 signatures.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2014

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS (cont.)

Incorporation (cont.)

As of March 2015, the incorporation petition remains open and is being circulated, and according to the petitioners, they plan to submit the petition to the Winnebago County Circuit Court during either March or April 2015. After a review by a Circuit Court judge, the petition would be sent to the Wisconsin Department of Administration to be reviewed by a special committee for a period of 180 days. Should the Department of Administration approve the petition then it returns to the Winnebago County Circuit Court for the judge to set a date for a referendum vote. Finally, a referendum is held with the electors in the incorporating area participating in the vote. Should a majority vote in favor of the incorporation, then the incorporation is completed. The incorporation process is lengthy with the current effort not likely to be resolved until spring or summer of 2016.

US 41 and US 10/WIS 441 Project

The Wisconsin Department of Transportation (WisDOT) has developed plans to reconstruct the US 10/WIS 441 freeway. The WIS 441 Tri-County Project, which is now under construction, will reconstruct and expand US 10/WIS 441 from four to six lanes from Cold Spring Road to about 1/2 mile east of Oneida Street (approximately 6 miles). This project includes reconditioning the existing bridge that spans Little Lake Butte des Morts, and adding a new parallel bridge south of the existing bridge to handle eastbound traffic. The reconstruction project will make the US 41 and US 10/WIS 441 interchange a full interchange. It will restore missing ramp movements for northbound US 41 to westbound US 10 and eastbound US 10 to northbound US 41.

The project is needed to address safety concerns and traffic demands on one of the region's vital transportation routes. Currently, the crash rates on US 10/WIS 441 exceed statewide averages for similar urban freeways. Traffic volume is expected to rise on US 10/WIS 441 in the years ahead, and additional traffic lanes are needed to safely accommodate this increase. Most of the existing interchanges also need improvements. Since the interchange is in the Town of Menasha, this will increase the economic viability of development projects in the community.

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, Finance Director Myra Piergrossi, 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.

BASIC FINANCIAL STATEMENTS

TOWN OF MENASHA, WISCONSIN

Statement of Net Position
As of December 31, 2014

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Investments	\$ 10,823,296	\$ 4,267,402	\$ 15,090,698
Restricted Cash	474,584	856,987	1,331,571
Receivables:			
Taxes	9,283,779	-	9,283,779
Delinquent Personal Property Taxes	6,369	-	6,369
Accounts	388,903	2,288,749	2,677,652
Loans	100,000	-	100,000
Accrued Interest	23,566	19,935	43,501
Prepays	68,607	39,467	108,074
Internal Balances	(83,453)	83,453	-
Due from Other Governments	224,790	104,895	329,685
Current Portion of Advance to Neenah- Menasha Sewerage Commission	-	139,046	139,046
Current Portion of Advance to Grand Chute- Menasha West Regional Plant	-	290,489	290,489
Inventories	-	69,509	69,509
Total Current Assets	<u>21,310,441</u>	<u>8,159,932</u>	<u>29,470,373</u>
Noncurrent Assets			
Restricted Cash	-	3,399,199	3,399,199
Restricted Investments	-	1,312,149	1,312,149
Special Assessments	323,809	386,956	710,765
Other Investments	-	624,797	624,797
Due from Other Governments	-	519,176	519,176
Advance to Neenah-Menasha Sewerage Commission	-	3,014,642	3,014,642
Advance to Grand Chute-Menasha West Regional Plant	-	4,832,615	4,832,615
Property Held for Future Use	-	74,373	74,373
Preliminary Survey and Investigation	-	16,303	16,303
Capital Assets, Nondepreciable:			
Land	30,027,843	1,198,814	31,226,657
Easements	30,818	-	30,818
Construction in Progress	1,904,495	2,026,508	3,931,003
Capital Assets, Depreciable	48,177,074	84,236,502	132,413,576
Less: Accumulated Depreciation	(21,114,248)	(24,060,890)	(45,175,138)
Total Noncurrent Assets	<u>59,349,791</u>	<u>77,581,144</u>	<u>136,930,935</u>
TOTAL ASSETS	<u>80,660,232</u>	<u>85,741,076</u>	<u>166,401,308</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	6,828	6,828

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN

Statement of Net Position - Continued

As of December 31, 2014

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 488,967	\$ 849,251	\$ 1,338,218
Accrued and Other Current Liabilities	331,330	87,893	419,223
Deposits	171,081	-	171,081
Accrued Interest Payable	145,483	186,409	331,892
Total Current Liabilities	<u>1,136,861</u>	<u>1,123,553</u>	<u>2,260,414</u>
Non-Current Liabilities			
Due Within One Year	2,363,431	2,258,346	4,621,777
Due in More than One Year	9,395,096	26,316,031	35,711,127
Total Non-Current Liabilities	<u>11,758,527</u>	<u>28,574,377</u>	<u>40,332,904</u>
Total Liabilities	<u>12,895,388</u>	<u>29,697,930</u>	<u>42,593,318</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Periods	8,926,244	-	8,926,244
NET POSITION			
Net Investment in Capital Assets	48,567,488	45,042,434	93,609,922
Restricted:			
General Government	1,038	-	1,038
Public Safety	62,057	-	62,057
Public Works	222,626	-	222,626
Leisure Activities	118,107	-	118,107
Community Development	7,659	-	7,659
Debt Service and Equipment Replacement	-	3,855,910	3,855,910
Unrestricted	9,859,625	7,151,630	17,011,255
TOTAL NET POSITION	<u>\$ 58,838,600</u>	<u>\$ 56,049,974</u>	<u>\$ 114,888,574</u>

TOWN OF MENASHA, WISCONSIN

Statement of Activities

For the Year Ended December 31, 2014

	<u>Program Revenues</u>				
	<u>Expenses</u>	<u>#</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
FUNCTIONS/PROGRAMS					
GOVERNMENTAL ACTIVITIES					
General Government	\$ 1,688,386		\$ 100,341	\$ 38,076	\$ 655
Public Safety	4,548,719		665,218	79,777	6,504
Public Works	4,328,646		910,171	763,538	100,713
Leisure Activities	1,026,725		273,650	-	21,976
Conservation and Development	135,700		28,982	18,582	-
Interest on Debt	276,369		-	36,400	-
Total Governmental Activities	<u>12,004,545</u>		<u>1,978,362</u>	<u>936,373</u>	<u>129,848</u>
BUSINESS-TYPE ACTIVITIES					
Water Utility	4,096,150		4,889,652	30,558	35,096
Sewer Utility	3,268,648		3,481,008	-	82,745
Storm Water Utility	1,084,023		1,582,166	-	70,100
Total Business-Type Activities	<u>8,448,821</u>		<u>9,952,826</u>	<u>30,558</u>	<u>187,941</u>
Total Government	<u>\$ 20,453,366</u>		<u>\$ 11,931,188</u>	<u>\$ 966,931</u>	<u>\$ 317,789</u>

GENERAL REVENUES

Taxes:

General Property Taxes

Debt Service Levy

Other Taxes

Federal and State Grants and Other Contributions

Not Restricted to Specific Functions

Interest and Investment Earnings

Rent

Miscellaneous

Total General Revenues

TRANSFER

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR

NET POSITION - END OF YEAR

See Accompanying Notes

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business- Type Activities	Total
\$ (1,549,314)	\$ -	\$ (1,549,314)
(3,797,220)	-	(3,797,220)
(2,554,224)	-	(2,554,224)
(731,099)	-	(731,099)
(88,136)	-	(88,136)
(239,969)	-	(239,969)
<u>(8,959,962)</u>	<u>-</u>	<u>(8,959,962)</u>
-	859,156	859,156
-	295,105	295,105
-	568,243	568,243
<u>-</u>	<u>1,722,504</u>	<u>1,722,504</u>
<u>(8,959,962)</u>	<u>1,722,504</u>	<u>(7,237,458)</u>
6,013,156	-	6,013,156
1,843,440	-	1,843,440
66,039	-	66,039
609,765	-	609,765
130,558	69,506	200,064
110,948	211,834	322,782
439,996	-	439,996
<u>9,213,902</u>	<u>281,340</u>	<u>9,495,242</u>
<u>544,573</u>	<u>(544,573)</u>	<u>-</u>
798,513	1,459,271	2,257,784
<u>58,040,087</u>	<u>54,590,703</u>	<u>112,630,790</u>
<u>\$ 58,838,600</u>	<u>\$ 56,049,974</u>	<u>\$ 114,888,574</u>

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN

Balance Sheet
Governmental Funds
As of December 31, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS			
Cash and Investments	\$ 6,618,084	\$ 861,683	\$ 454,213
Restricted Cash	-	-	474,584
Receivables:			
Taxes	6,520,805	1,881,464	-
Delinquent Personal Property Taxes	6,369	-	-
Accounts	358,078	2,160	-
Special Assessments	-	323,809	-
Loans	-	100,000	-
Accrued Interest	3,000	-	-
Prepaid Items	68,607	-	-
Due from Other Governments	224,790	-	-
Advance to Other Fund	274,082	-	-
TOTAL ASSETS	<u>\$ 14,073,815</u>	<u>\$ 3,169,116</u>	<u>\$ 928,797</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 219,662	\$ -	\$ 129,784
Accrued and Other Current Liabilities	331,330	-	-
Deposits	171,081	-	-
Due to Other Funds	357,535	-	-
Total Liabilities	<u>1,079,608</u>	<u>-</u>	<u>129,784</u>
Deferred Inflows of Resources			
Unavailable - Special Assessments	-	323,809	-
Unavailable - Other	189,497	-	-
Taxes Levied for Subsequent Periods	6,163,270	1,881,464	-
Total Deferred Inflows of Resources	<u>6,352,767</u>	<u>2,205,273</u>	<u>-</u>
Fund Balances			
Nonspendable:			
Delinquent Personal Property Taxes	6,369	-	-
Long-Term Loans Receivable	-	100,000	-
Prepaid Items	68,607	-	-
Advance to Stormwater Utility	274,082	-	-
Restricted			
Debt Service	-	57,783	-
Capital Projects	-	-	474,584
Equitable Sharing	-	-	-
Garbage Collection/Recycling	-	-	-
Public Protection	-	-	-
Other Special Purposes	-	-	-
Committed:			
Stabilization Funds	1,955,126	-	-
Assigned:			
Accrued Sick Leave and Vacation	725,448	-	-
Carry Forward Appropriations	284,570	-	-
Debt Service	-	806,060	-
Capital Projects	-	-	324,429
Equipment Replacement	-	-	-
Unassigned:			
General Fund	3,327,238	-	-
Total Fund Balances	<u>6,641,440</u>	<u>963,843</u>	<u>799,013</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 14,073,815</u>	<u>\$ 3,169,116</u>	<u>\$ 928,797</u>

See Accompanying Notes

Equipment Replacement Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,346,905	\$ 542,411	\$ 10,823,296
-	-	474,584
-	881,510	9,283,779
-	-	6,369
-	3,814	364,052
-	-	323,809
-	-	100,000
20,566	-	23,566
-	-	68,607
-	-	224,790
-	-	274,082
<u>\$ 2,367,471</u>	<u>\$ 1,427,735</u>	<u>\$ 21,966,934</u>

\$ 4,783	\$ 134,738	\$ 488,967
-	-	331,330
-	-	171,081
-	-	357,535
<u>4,783</u>	<u>134,738</u>	<u>1,348,913</u>

-	-	323,809
-	-	189,497
-	881,510	8,926,244
-	<u>881,510</u>	<u>9,439,550</u>

-	-	6,369
-	-	100,000
-	-	68,607
-	-	274,082

-	-	57,783
-	-	474,584
-	1,403	1,403
-	222,626	222,626
-	42,477	42,477
-	144,981	144,981

-	-	1,955,126
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-	-	725,448
-	-	284,570
-	-	806,060
-	-	324,429
2,362,688	-	2,362,688

-	-	3,327,238
<u>2,362,688</u>	<u>411,487</u>	<u>11,178,471</u>

<u>\$ 2,367,471</u>	<u>\$ 1,427,735</u>	<u>\$ 21,966,934</u>
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See Accompanying Notes

TOWN OF MENASHA, WISCONSIN

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

As of December 31, 2014

Total Fund Balances - Governmental Funds \$ 11,178,471

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 59,025,982

Other long-term assets are not available to pay current period expenditures. Amounts reported for governmental activities in the statement of net position, but deferred in the funds balance sheet.

 Special Assessments 323,809

 Other Long-Term Receivables 189,497

Certain assets, including Build America Bond interest subsidy, are not available to pay current period expenditures. Assets reported in the statement of net position that are not reported in the funds balance sheet.

 Build America Bond Interest Subsidy 24,851

Certain liabilities, including bonds and notes payable, are not due and payable in the current period and therefore not reported in the fund statements. Liabilities reported in the statement of net position that are not reported in the funds balance sheet.

 Bonds and Notes Payable (10,854,254)

 Bond Premium (178,824)

 Compensated Absences (725,449)

 Accrued Interest on Long-Term Obligations (145,483) (11,904,010)

Total Net Position - Governmental Activities \$ 58,838,600

TOWN OF MENASHA, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
REVENUES			
Taxes	\$ 6,079,195	\$ 1,843,440	\$ -
Intergovernmental	1,393,371	36,400	-
Licenses and Permits	566,422	-	-
Fines and Forfeits	192,507	-	-
Public Charges for Services	153,139	31,217	-
Special Assessments	17,323	100,713	-
Investment Income	85,707	27,550	1,107
Miscellaneous	233,374	-	8,127
Total Revenues	<u>8,721,038</u>	<u>2,039,320</u>	<u>9,234</u>
EXPENDITURES			
General Government	1,512,783	-	-
Public Safety	4,128,378	-	-
Public Works	1,679,235	-	443,249
Liesure Activities	822,717	-	-
Conservation and Development	132,969	-	-
Debt Service			
Principal	-	1,853,416	-
Interest and Fiscal Charges	-	289,975	39,832
Capital Outlay	-	-	1,852,826
Total Expenditures	<u>8,276,082</u>	<u>2,143,391</u>	<u>2,335,907</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>444,956</u>	<u>(104,071)</u>	<u>(2,326,673)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of Long-Term Debt	-	57,783	2,207,217
Bond Premium	-	-	71,931
Sale of Capital Assets	-	-	-
Transfers In	675,063	142,208	-
Transfers Out	(559,870)	(617)	-
Total Other Financing Sources (Uses)	<u>115,193</u>	<u>199,374</u>	<u>2,279,148</u>
NET CHANGE IN FUND BALANCES	560,149	95,303	(47,525)
FUND BALANCES - BEGINNING	<u>6,081,291</u>	<u>868,540</u>	<u>846,538</u>
FUND BALANCES - ENDING	<u>\$ 6,641,440</u>	<u>\$ 963,843</u>	<u>\$ 799,013</u>

<u>Equipment Replacement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 7,922,635
-	78,291	1,508,062
-	-	566,422
-	-	192,507
-	1,009,684	1,194,040
-	-	118,036
14,489	1,706	130,559
-	48,076	289,577
<u>14,489</u>	<u>1,137,757</u>	<u>11,921,838</u>
-	1,073	1,513,856
-	8,229	4,136,607
-	875,326	2,997,810
-	4,524	827,241
-	2,731	135,700
-	-	1,853,416
-	-	329,807
975,380	14,991	2,843,197
<u>975,380</u>	<u>906,874</u>	<u>14,637,634</u>
<u>(960,891)</u>	<u>230,883</u>	<u>(2,715,796)</u>
-	-	2,265,000
-	-	71,931
122,785	-	122,785
559,370	500	1,377,141
-	(272,081)	(832,568)
<u>682,155</u>	<u>(271,581)</u>	<u>3,004,289</u>
(278,736)	(40,698)	288,493
<u>2,641,424</u>	<u>452,185</u>	<u>10,889,978</u>
<u>\$ 2,362,688</u>	<u>\$ 411,487</u>	<u>\$ 11,178,471</u>

TOWN OF MENASHA, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014

Net Change in Fund Balances - Total Governmental Funds		\$ 288,493
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 activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay reported in governmental fund statements	2,843,197	
Depreciation expense reported in the statement of activities	<u>1,757,341</u>	
Amount by which capital outlays are greater than depreciation in current period		1,085,856
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, developer credits for land purchases, and donations) is to decrease net position.		
		(162,519)
Special assessments are recognized as income as the payments are received in the fund financial statements but were recognized as revenue in the statement of activities at the time they were earned. Other court revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until they are available.		
Special Assessments	(147,518)	
Court	<u>189,497</u>	41,979
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
The amount of long-term debt principal payments in the current year is:		1,853,416
Debt incurred in the governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position, and does not affect the statement of activities.		
The amount of debt incurred in the current year is		(2,265,000)
Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Amounts earned in current year are more than amounts paid by		(50,070)
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.		
Interest paid is more than interest accrued by		37,203
Governmental funds report debt discount/premium as expenditures/revenues. These are allocated over the period the debt is outstanding in the statement of activities and are reported as expense. This is the amount of amortization expenses in the current year.		
Debt premium		<u>(30,845)</u>
Change in Net Position - Governmental Activities		\$ 798,513

TOWN OF MENASHA, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2014

	Business-Type Activities			
	Water	Sewer	Storm Water	Total
CURRENT ASSETS				
Cash and Investments	\$ 1,141,505	\$ 1,436,654	\$ 1,689,243	\$ 4,267,402
Restricted Cash and Investments	600,506	256,481	-	856,987
Receivables				
Customer	1,051,613	754,113	483,023	2,288,749
Accrued Interest	14,953	4,982	-	19,935
Due from Other Funds	128,546	164,637	64,352	357,535
Due from Other Governments	15,706	86,461	2,728	104,895
Current Portion of Advance to Neenah- Menasha Sewerage Commission	-	139,046	-	139,046
Current Portion of Advance to Grand Chute- Menasha West Regional Plant	-	290,489	-	290,489
Prepaid Items	17,239	11,698	10,530	39,467
Inventories	69,509	-	-	69,509
Total Current Assets	3,039,577	3,144,561	2,249,876	8,434,014
NON-CURRENT ASSETS				
Restricted Cash	942,548	1,400,322	1,056,329	3,399,199
Restricted Investments	476,870	835,279	-	1,312,149
Other Assets				
Special Assessments	36,607	202,377	147,972	386,956
Other Investments	-	624,797	-	624,797
Due from Other Governments	-	-	519,176	519,176
Advance to Neenah-Menasha Sewerage Commission	-	3,014,642	-	3,014,642
Advance to Grand Chute-Menasha West Regional Plant	-	4,832,615	-	4,832,615
Property Held for Future Sale	-	-	74,373	74,373
Preliminary Survey and Investigation	-	-	16,303	16,303
Total Other Assets	36,607	8,674,431	757,824	9,468,862
Capital Assets, Nondepreciable				
Land	144,200	64,705	989,909	1,198,814
Construction in Progress	11,516	17,375	1,997,617	2,026,508
Capital Assets				
Utility Plant	38,997,436	31,127,912	14,111,154	84,236,502
Less: Accumulated Depreciation	(11,275,024)	(9,795,304)	(2,990,562)	(24,060,890)
Net Capital Assets	27,878,128	21,414,688	14,108,118	63,400,934
Total Noncurrent Assets	29,334,153	32,324,720	15,922,271	77,581,144
Total Assets	32,373,730	35,469,281	18,172,147	86,015,158
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Advance Refunding	6,828	-	-	6,828

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN

Statement of Net Position - Continued

Proprietary Funds

As of December 31, 2014

	Business-Type Activities			
	Water	Sewer	Storm Water	Total
CURRENT LIABILITIES				
Accounts Payable	\$ 335,641	\$ 441,432	\$ 72,178	\$ 849,251
Accrued and Other Current Liabilities	46,144	26,286	15,463	87,893
Accrued Interest Payable	78,796	-	33,489	112,285
Current Portion of Compensated Absences	73,558	49,510	31,229	154,297
Current Portion of Advances from Other Funds	-	-	100,000	100,000
Current Portion of General Obligation Debt	111,948	147,795	423,817	683,560
Current Portion of Revenue Bonds	-	290,489	-	290,489
Current Liabilities Payable from Restricted Assets				
Current Portion of Revenue Bonds	773,862	356,138	-	1,130,000
Accrued Interest	51,994	22,130	-	74,124
Total Current Liabilities	1,471,943	1,333,780	676,176	3,481,899
NON-CURRENT LIABILITIES				
Advances from Other Funds	-	-	174,082	174,082
General Obligation Debt	1,892,553	3,023,624	4,982,070	9,898,247
Revenue Bonds	7,908,318	8,312,197	-	16,220,515
Compensated Absences	91,808	62,779	25,754	180,341
Customer Advances for Construction	9,316	7,612	-	16,928
Total Noncurrent Liabilities	9,901,995	11,406,212	5,181,906	26,490,113
Total Liabilities	11,373,938	12,739,992	5,858,082	29,972,012
NET POSITION				
Net Investment in Capital Assets	18,194,492	18,001,113	8,846,829	45,042,434
Restricted for				
Debt Service	548,512	-	-	548,512
Depreciation Account	423,201	1,290,852	911,731	2,625,784
Reserve Account	-	234,351	-	234,351
Plant Replacement	-	302,665	-	302,665
Construction Account	-	-	144,598	144,598
Unrestricted	1,840,415	2,900,308	2,410,907	7,151,630
TOTAL NET POSITION	\$ 21,006,620	\$ 22,729,289	\$ 12,314,065	\$ 56,049,974

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Business-Type Activities			
	Water	Sewer	Storm Water	Total
OPERATING REVENUES				
Charges for Services	\$ 4,884,207	\$ 3,472,611	\$ 1,576,814	\$ 9,933,632
Other Receipts	5,445	8,397	5,352	19,194
Total Operating Revenues	<u>4,889,652</u>	<u>3,481,008</u>	<u>1,582,166</u>	<u>9,952,826</u>
OPERATING EXPENSES				
Operation and Maintenance	2,854,104	2,637,152	675,108	6,166,364
Depreciation	775,003	469,667	286,546	1,531,216
Total Operating Expenses	<u>3,629,107</u>	<u>3,106,819</u>	<u>961,654</u>	<u>7,697,580</u>
OPERATING INCOME	<u>1,260,545</u>	<u>374,189</u>	<u>620,512</u>	<u>2,255,246</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	25,502	35,735	8,269	69,506
Intergovernmental Grant - Interest Subsidy	30,558	-	-	30,558
Rent	211,834	-	-	211,834
Interest and Amortization Expense	(467,043)	(161,829)	(122,369)	(751,241)
Total Non-Operating Revenues (Expenses)	<u>(199,149)</u>	<u>(126,094)</u>	<u>(114,100)</u>	<u>(439,343)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,061,396	248,095	506,412	1,815,903
CAPITAL CONTRIBUTIONS	35,096	82,745	70,100	187,941
TRANSFERS	<u>(544,573)</u>	<u>-</u>	<u>-</u>	<u>(544,573)</u>
CHANGE IN NET POSITION	551,919	330,840	576,512	1,459,271
NET POSITION - BEGINNING	<u>20,454,701</u>	<u>22,398,449</u>	<u>11,737,553</u>	<u>54,590,703</u>
NET POSITION - ENDING	<u>\$ 21,006,620</u>	<u>\$ 22,729,289</u>	<u>\$ 12,314,065</u>	<u>\$ 56,049,974</u>

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business-Type Activities			
	Water Utility	Sewer Utility	Storm Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from User Charges	\$ 4,849,541	\$ 3,523,312	\$ 1,682,534	\$ 10,055,387
Cash Received from Municipality for Services	-	-	6,502	6,502
Cash Payments to Suppliers	(2,177,861)	(2,037,940)	(522,195)	(4,737,996)
Cash Payments to Employees	(462,859)	(429,600)	(306,407)	(1,198,866)
Cash Paid to Municipality for Services	(495,286)	(12,630)	-	(507,916)
Net Cash Flows From Operating Activities	<u>1,713,535</u>	<u>1,043,142</u>	<u>860,434</u>	<u>3,617,111</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Other Receipts	211,834	-	-	211,834
Tax Equivalent Paid to Municipality	(544,573)	-	-	(544,573)
Net Cash Flows From Noncapital and Related Financing Activities	<u>(332,739)</u>	<u>-</u>	<u>-</u>	<u>(332,739)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments Sold and Matured	74,200	48,673	-	122,873
Interest Income	54,491	36,319	8,269	99,079
Purchase of Other Investments	-	-	(6,662)	(6,662)
Net Cash Flows From Investing Activities	<u>128,691</u>	<u>84,992</u>	<u>1,607</u>	<u>215,290</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(840,062)	(581,845)	(1,436,310)	(2,858,217)
Capital Contributions - Customers	1,642	70,541	70,100	142,283
Intergovernmental Grant - Subsidy Received	33,981	-	-	33,981
Repayment of Advance from Other Funds	-	-	(100,000)	(100,000)
Special Assessments Issued	-	(95,069)	-	(95,069)
Special Assessments Received	10,973	85,772	34,261	131,006
Proceeds from Long-Term Debt	1,423,627	703,154	1,580,414	3,707,195
Principal Payments on Long-Term Debt	(2,262,941)	(1,157,217)	(347,096)	(3,767,254)
Interest Payments on Long-term Debt	(478,627)	(166,806)	(116,771)	(762,204)
Net Cash Flows From Capital and Related Financing Activities	<u>(2,111,407)</u>	<u>(1,141,470)</u>	<u>(315,402)</u>	<u>(3,568,279)</u>
NET CHANGE IN CASH AND INVESTMENTS	(601,920)	(13,336)	546,639	(68,617)
CASH AND INVESTMENTS - BEGINNING	<u>3,286,479</u>	<u>3,731,590</u>	<u>2,198,933</u>	<u>9,217,002</u>
CASH AND INVESTMENTS - ENDING	<u>\$ 2,684,559</u>	<u>\$ 3,718,254</u>	<u>\$ 2,745,572</u>	<u>\$ 9,148,385</u>

TOWN OF MENASHA, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business-Type Activities			
	Water Utility	Sewer Utility	Storm Water	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income	\$ 1,260,545	\$ 374,189	\$ 620,512	\$ 2,255,246
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	775,003	469,667	286,546	1,531,216
Meter Depreciation Charged to Sewer	37,199	(37,199)	-	-
(Increase) Decrease in Operating Assets				
Account Receivables	(35,126)	(11,185)	73,468	27,157
Due from Other Governments	2,090	59,496	26,900	88,486
Due from Other Funds	35,905	(12,630)	6,502	29,777
Prepaid Items	(484)	(910)	(816)	(2,210)
Inventories	24,978	-	-	24,978
(Decrease) Increase in Operating Liabilities				
Accounts Payable	155,199	192,282	(157,470)	190,011
Accrued and Other Liabilities	4,968	2,198	2,749	9,915
Due to Other Funds	(531,191)	-	-	(531,191)
Customer Advance for Construction	(7,075)	(6,007)	-	(13,082)
Compensated Absences	(8,476)	13,241	2,043	6,808
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,713,535</u>	<u>\$ 1,043,142</u>	<u>\$ 860,434</u>	<u>\$ 3,617,111</u>
RECONCILIATION OF CASH AND INVESTMENTS PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS				
Cash and Investments	\$ 1,141,505	\$ 1,436,654	\$ 1,689,243	\$ 4,267,402
Restricted Cash and Investments-Current	600,506	256,481	-	856,987
Restricted Cash and Investments-Non-Current	942,548	1,400,322	1,056,329	3,399,199
Other Investments	-	624,797	-	624,797
TOTAL CASH PER STATEMENT OF CASH FLOWS	<u>\$ 2,684,559</u>	<u>\$ 3,718,254</u>	<u>\$ 2,745,572</u>	<u>\$ 9,148,385</u>
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES				
Reduction in debt for regional treatment plant	<u>\$</u>	<u>\$ 418,389</u>	<u>\$</u>	<u>\$ 418,389</u>

TOWN OF MENASHA, WISCONSIN

Statement of Net Position

Fiduciary Fund

As of December 31, 2014

	<u>Agency</u> <u>Tax Collection</u> <u>Fund</u>
ASSETS	
Cash and Investments	\$ 13,765,512
Receivables - Taxes	10,038,528
Total Assets	<u>\$ 23,804,040</u>
LIABILITIES	
Accounts Payable	\$ 10,371
Due to Other Governments	23,793,669
Total Liabilities	<u>\$ 23,804,040</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Town of Menasha, Wisconsin (Town) is presented to assist in understanding the Town's financial statements. The financial statements and notes are representations of the Town's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

REPORTING ENTITY

This report includes all funds of the Town. In accordance with generally accepted accounting principles (GAAP), the financial statements are required to include the Town (the primary government) and any separate component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable or other organizations whose nature and significant relationship with the Town are such that exclusion would cause the Town's financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Town's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Town. The Town has not identified any component units that are required to be included in the financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, capital projects and debt service funds. Proprietary funds include enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (continued)

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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. 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, fund equity, revenues, and expenditures/expenses.

Funds are organized as major funds or non-major 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 and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the Town believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are identified as either general, special revenue, debt service, or capital projects based upon the following guidelines:

General Fund

The general fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

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

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Governmental Funds (Continued)

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The Town reports the following major governmental funds:

General Fund

This 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

This fund is 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

This fund is 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

This fund is 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.

Proprietary Funds

Enterprise Funds

Enterprise funds may be used to account for activities where a fee is charged to external users for goods and services. Enterprise activities must include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, or (b) where laws or regulations require that the costs of the activity be recovered with fees and charges, or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

The Town reports the following major proprietary funds:

Water Utility

The water utility accounts for the financing of the construction, operations, and maintenance of the Town owned water facilities.

Sewer Utility

The sewer utility accounts for the financing of the construction, operation, and maintenance of the Town owned sewage facilities.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Governmental Funds (Continued)

Storm Water Utility

The storm water utility accounts for the financing of the construction, operation, and maintenance of the Town owned storm water facilities.

Fiduciary Funds

Agency Funds

Agency funds are used to account for assets held by the Town as an agent for individuals, private organizations, and/or other governmental units. The Town's agency funds account for tax collection on behalf of other taxing units.

Non-Major Funds

The Town reports the following non-major funds:

- Garbage Collection/Recycling
- Grants
- Gang Resistance Education and Training (GREAT)
- Other Special Revenue

MEASUREMENT FOCUS AND BASIS ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets, current deferred outflows of resources, current liabilities, and current deferred inflows of resources) or economic resources (all assets, deferred outflows of resources, liabilities, and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS ACCOUNTING (Continued)

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency fund has no measurement focus, but utilizes the accrual basis of accounting for reporting its assets and liabilities.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, DEFERRED OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCE

Cash and Investments

Cash and investments are combined. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. For investments stated at their fair value, fair values are based on quoted market prices. No investments are reported at amortized costs.

For purpose of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with an original maturity of three months or less from date of acquisition are considered to be cash.

Accounts Receivable

Accounts receivable are recorded at their gross amount with uncollectible amounts being recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the financial statements.

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 uncollectible accounts has been recorded. The Town has reported restricted fund balance for the loan receivable.

Inventories

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.

Prepaid Items

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.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, DEFERRED OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCE (Continued)

Special Assessments

Special assessments result from capital projects constructed through non-special assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred inflows of resources when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements and proprietary funds, special assessments are recorded as receivables and capital contribution revenue when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. The method of enforcing collections is the same as for general Town taxes.

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.

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.

Other Assets

The sewer utility fund has an other investments account that contains sewer funds collected from service availability charges that have been set aside to offset wastewater treatment expenses.

Capital Assets

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, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, DEFERRED OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCE (Continued)

Capital Assets (Continued)

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.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

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.

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 storm water utility is constructing a storm water 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 storm water projects. The total amount remaining to be paid is \$74,915. The long term portion is \$36,947 which will be paid in 2016.

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.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, DEFERRED OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCE (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has two types of items, one which arises under both modified accrual and the full accrual basis of accounting and one that only arises under the modified accrual basis of accounting on the governmental funds balance sheet. Taxes levied for the subsequent period have not met the time requirement to be recognized as an acquisition of resources and is therefore reported as deferred inflows of resources on both the governmental funds balance sheet and the governmental activities statement of net position. The governmental funds report unavailable revenues from two sources: special assessments and municipal fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is 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 debt for governmental funds is not reported as a liability in the governmental fund financial statements. The debt proceeds are reported as an other financing source and payment of principal and interest reported as expenditures. In governmental funds and government-wide statements, debt issuance costs are reported as expenditures/expenses. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, DEFERRED OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCE (Continued)

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are reported as a nonspendable in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources. The government has an advance between the general fund and storm water fund in the current year.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Equity Classifications

Government-Wide Statements

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted component of net position – Consists of resources 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 reduced by liabilities related to those assets.
- Unrestricted component of net position – Is the net amount 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 Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, DEFERRED OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCE (Continued)

Equity Classifications (Continued)

Fund Financial Statements (Continued)

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Town Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance, in the general fund, represents amounts constrained by the Town Board for a specific intended purpose but do not meet the criteria to be classified as restricted or committed. The Town has also delegated that authority to the Finance Director. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance, in the general fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The Town, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

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 \$1,955,126.

The Town has a formal minimum fund balance policy. The policy requires the Town to maintain a working capital fund of 10%-20% of the subsequent years' general fund expenditures budget. The balance at year end was \$3,327,238, or 34%, and is shown as unassigned general fund balance.

CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide and proprietary funds statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

BASIS FOR EXISTING UTILITY RATES

Water Utility

Current Water rates were approved by the Public Service Commission of Wisconsin and became effective on March 1, 2012. The rates are designed to provide a 6.25% return on rate base.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS FOR EXISTING UTILITY RATES (Continued)

Sewer Utility

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

Storm Water Utility

Current storm water rates were approved by the Storm Water Utility Commission on July 13, 2009, and effective when billing began on January 1, 2010.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 may differ from these estimates.

NOTE 2 - CASH AND INVESTMENTS

The Town maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as cash and investments.

The Town is required to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturity in three years or less.
- 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, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Town.

The Town's cash and investments are subject to several types of risk, as explained in more detail below.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Town does not have an additional custodial credit policy.

Deposits in each bank are insured by the FDIC in the amount of \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest bearing demand deposit accounts. At December 31, 2014, the Town's deposits had a bank balance of \$22,064,297. The Town maintains its cash accounts at several financial institutions.

Deposits in each credit union are insured by the National Credit Union Share Insurance Fund (NCUSIF) up to \$250,000 for the combined amounts of all accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2014, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

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.

The following represents a summary of deposits as of December 31, 2014:

Fully Insured Deposits	\$ 2,059,492
Collateralized with Securities held by the Pledging of Financial Institution in the Town's Name	18,433,805
Uncollateralized	<u>1,571,000</u>
Total	<u>\$ 22,064,297</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

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, 2014, the Town's investments were as follows:

Investment	Fair Value	12 months or less	13 to 24 months	25-60 months
U.S. Agencies	\$ 463,538	\$ -	\$ -	\$ 463,538
Corporate Bonds	3,521,447	1,188,936	930,708	1,040,803
Town of Clayton	74,915	37,968	36,947	
WI Local Government Investment Pool	9,241,433	9,241,433	-	-
Totals	\$ 13,301,333	\$10,468,337	\$ 967,655	\$ 1,504,341

The Local Government Investment Pool, an external investment pool operates as a joint venture under Section 66.0301 of the Wisconsin Statutes. Membership in the joint venture is limited to school districts, technical colleges, and municipalities in Wisconsin. The governing body, the Board of Commissioners, is elected by the membership.

The Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission and does not publish credit quality ratings. An investment in the Fund is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government, or any state governmental agency of the Fund. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at cost, which approximates market.

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Town's investment policy does not further limit its investment choices. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2014, the Town's credit quality ratings are as follows:

Investment	Fair Value	AA+	A+	A	AA-	Not Rated
U.S. Agencies	\$ 463,538	\$ -	\$ -	\$ -	\$ -	\$ 463,538
Corporate Bonds	3,521,447	843,923	930,708	1,188,936	557,880	-
Town of Clayton	74,915					74,915
WI Local Government Investment Pool	9,241,433	-	-	-	-	9,241,433
Totals	\$ 13,301,333	\$ 843,923	\$ 930,708	\$ 1,188,936	\$ 557,880	\$ 9,779,886

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Town investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
General Electric Company	Bond	\$ 843,923
Barclays Bank PLC	Bond	1,188,936
Rabobank	Bond	930,708
		<u>\$ 2,963,567</u>

NOTE 3 - PROPERTY TAXES

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Town.

The Town bills and collects its own property taxes and also levies and collects taxes for the School Districts of Appleton Area, Menasha, and Neenah, Winnebago County, Fox Valley Technical College and the State of Wisconsin.

As part of Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

NOTE 4 - INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

Interfund receivables and payables between individual funds of the Town as of December 31, 2014 are detailed below:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Utility	\$ 128,546	Due from tax roll - delinquent accounts
General Fund	Sewer Utility	164,637	Due from tax roll - delinquent accounts
General Fund	Storm Water Utility	64,352	Due from tax roll - delinquent accounts
Total		<u>\$ 357,535</u>	

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 4 - INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS (Continued)

Interfund transfers for the year ended December 31, 2014 as shown in the governmental and proprietary funds statements were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Equipment Replacement	\$ 559,370	Funding of equipment replacement
General Fund	Other Special Revenue	500	Funding of the sustainability account
Garbage & Recycling	General Fund	104,145	Expenditure reimbursement
Garbage & Recycling	Debt Service Fund	64,044	Share of debt service
Per Capita Grant	General Fund	15,851	Expenditure reimbursement
Donation Fund	General Fund	9,877	Expenditure reimbursement
Donation Fund	Debt Service Fund	78,164	Expenditure reimbursement
Debt Service Fund	General Fund	617	Expenditure reimbursement
Water Fund	General Fund	544,573	Payment in lieu of taxes
Total		<u>\$1,377,141</u>	

Advances

The general fund advanced funds to the storm water utility fund and is charging interest at a rate of 3.5%. No repayment schedule has been established. However, the storm water utility has budgeted to repay \$100,000 in 2015. This amount has been shown as current on the proprietary funds statement of net position. Interest costs on the advance are recorded as an expense of the storm water utility when the expense is incurred.

The following is a schedule of advances:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Storm Water Utility	General Fund	<u>\$274,082</u>	Advance

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

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 5 - CAPITAL ASSETS

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

	<u>Balance</u> <u>1/1/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2014</u>
Governmental Activities				
Capital Assets not being				
Depreciated:				
Land	\$ 30,027,843	\$ -	\$ -	\$ 30,027,843
Easements	30,818	-	-	30,818
Construction in Progress	<u>1,417,030</u>	<u>1,646,541</u>	<u>1,159,076</u>	<u>1,904,495</u>
Total Capital Assets not being				
Depreciated	<u>31,475,691</u>	<u>1,646,541</u>	<u>1,159,076</u>	<u>31,963,156</u>
 Other Capital Assets				
Land Improvements	239,667	-	-	239,667
Buildings	9,821,152	752,395	-	10,573,547
Computer Software	205,536	-	10,181	195,355
Computer Equipment	331,676	-	15,000	316,676
Machinery and Equipment	3,752,786	987,332	309,176	4,430,942
Vehicles	3,741,531	297,751	245,687	3,793,595
Roads	25,431,025	-	162,519	25,268,506
Trails	<u>3,040,532</u>	<u>318,254</u>	<u>-</u>	<u>3,358,786</u>
Total Capital Assets being				
Depreciated	<u>46,563,905</u>	<u>2,355,732</u>	<u>742,563</u>	<u>48,177,074</u>
 Less Accumulated Depreciation for:				
Land Improvements	69,189	-	-	69,189
Buildings	3,541,165	315,989	-	3,857,154
Computer Software	182,442	8,190	10,181	180,451
Computer Equipment	209,564	10,818	15,000	205,382
Machinery and Equipment	2,259,790	431,041	309,176	2,381,655
Vehicles	2,124,444	323,784	245,687	2,202,541
Roads	10,511,827	560,898	-	11,072,725
Trails	<u>1,038,530</u>	<u>106,621</u>	<u>-</u>	<u>1,145,151</u>
Total Accumulated				
Depreciation	<u>19,936,951</u>	<u>1,757,341</u>	<u>580,044</u>	<u>21,114,248</u>
Total Capital Assets Being				
Depreciated, Net of				
Depreciation	<u>26,626,954</u>	<u>598,391</u>	<u>162,519</u>	<u>27,062,826</u>
 Governmental Activities Capital				
Assets, Net of Accumulated				
Depreciation	<u>\$ 58,102,645</u>	<u>\$ 2,244,932</u>	<u>\$ 1,321,595</u>	<u>\$ 59,025,982</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 5 - CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>1/1/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2014</u>
Business-Type Activities				
Water				
Capital Assets not Being				
Depreciated:				
Land	\$ 144,200	\$ -	\$ -	\$ 144,200
Construction in Progress	3,110	13,505	5,099	11,516
Total Capital Assets not being				
Depreciated	<u>147,310</u>	<u>13,505</u>	<u>5,099</u>	<u>155,716</u>
Capital Assets being Depreciated				
Source of Supply	2,361,778	-	-	2,361,778
Pumping	992,531	45,772	1,500	1,036,803
Treatment	3,076,910	-	-	3,076,910
Transmission and Distribution	29,687,905	686,469	103,883	30,270,491
General	<u>2,162,590</u>	<u>99,414</u>	<u>10,550</u>	<u>2,251,454</u>
Total Capital Assets being				
Depreciated	<u>38,281,714</u>	<u>831,655</u>	<u>115,933</u>	<u>38,997,436</u>
Less: Accumulated Depreciation for:				
Source of Supply	732,244	63,590	-	795,834
Pumping	480,093	39,303	1,500	517,896
Treatment	2,159,861	100,066	-	2,259,927
Transmission and Distribution	6,207,915	512,631	103,883	6,616,663
General	<u>998,643</u>	<u>96,611</u>	<u>10,550</u>	<u>1,084,704</u>
Total Accumulated				
Depreciation	<u>10,578,756</u>	<u>812,201</u>	<u>115,933</u>	<u>11,275,024</u>
Total Capital Assets being				
Depreciated, Net of Depreciation	<u>27,702,958</u>	<u>19,454</u>	<u>-</u>	<u>27,722,412</u>
Water Capital				
Assets, Net of Accumulated				
Depreciation	<u>\$ 27,850,268</u>	<u>\$ 32,959</u>	<u>\$ 5,099</u>	<u>\$ 27,878,128</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 5 - CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>1/1/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2014</u>
Business-Type Activities				
Sewer				
Capital Assets not Being Depreciated:				
Land	\$ 64,705	\$ -	\$ -	\$ 64,705
Construction in Progress	<u>18,342</u>	<u>17,375</u>	<u>18,342</u>	<u>17,375</u>
Total Capital Assets not being Depreciated	<u>83,047</u>	<u>17,375</u>	<u>18,342</u>	<u>82,080</u>
Capital Assets being Depreciated				
Collection System	28,030,443	546,113	59,569	28,516,987
Collection System Pumping	1,467,275	36,700	12,921	1,491,054
General	<u>1,119,871</u>	<u>-</u>	<u>-</u>	<u>1,119,871</u>
Total Capital Assets being Depreciated	<u>30,617,589</u>	<u>582,813</u>	<u>72,490</u>	<u>31,127,912</u>
Less: Accumulated Depreciation for:				
Collection System	8,218,735	293,477	59,569	8,452,643
Collection System Pumping	935,928	60,141	12,921	983,148
General	<u>280,662</u>	<u>78,851</u>	<u>-</u>	<u>359,513</u>
Total Accumulated Depreciation	<u>9,435,325</u>	<u>432,469</u>	<u>72,490</u>	<u>9,795,304</u>
Total Capital Assets being Depreciated, Net of Depreciation	<u>21,182,264</u>	<u>150,344</u>	<u>-</u>	<u>21,332,608</u>
Sewer Capital Assets, Net of Accumulated Depreciation	<u>\$ 21,265,311</u>	<u>\$ 167,719</u>	<u>\$ 18,342</u>	<u>\$ 21,414,688</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 5 - CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>1/1/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2014</u>
Business-Type Activities				
Storm				
Capital Assets not Being Depreciated:				
Land	\$ 989,893	\$ 16	\$ -	\$ 989,909
Construction in Progress	<u>1,333,529</u>	<u>1,407,786</u>	<u>743,698</u>	<u>1,997,617</u>
Total Capital Assets not being Depreciated	<u>2,323,422</u>	<u>1,407,802</u>	<u>743,698</u>	<u>2,987,526</u>
Capital Assets being Depreciated				
Storm Sewer	12,715,071	728,806	-	13,443,877
Equipment	<u>630,877</u>	<u>46,900</u>	<u>10,500</u>	<u>667,277</u>
Total Capital Assets being Depreciated	<u>13,345,948</u>	<u>775,706</u>	<u>10,500</u>	<u>14,111,154</u>
Less: Accumulated Depreciation for:				
Storm Sewer	2,492,833	218,056	-	2,710,889
Equipment	<u>218,183</u>	<u>68,490</u>	<u>7,000</u>	<u>279,673</u>
Total Accumulated Depreciation	<u>2,711,016</u>	<u>286,546</u>	<u>7,000</u>	<u>2,990,562</u>
Total Capital Assets being Depreciated, Net of Depreciation	<u>10,634,932</u>	<u>489,160</u>	<u>3,500</u>	<u>11,120,592</u>
Storm Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,958,354</u>	<u>\$ 1,896,962</u>	<u>\$ 747,198</u>	<u>\$ 14,108,118</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities	
General Government	\$ 184,998
Public Safety	353,712
Public Works	878,612
Leisure Activities	340,019
Total Depreciation Expense - Governmental Activities	<u>\$ 1,757,341</u>
Business-Type Activities	
Water Utility	\$ 775,003
Sewer Utility	469,667
Storm Water Utility	286,546
Total Depreciation Expense - Business-type Activities	<u>\$ 1,531,216</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.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Town for the year ended December 31, 2014:

	<u>Outstanding 1/1/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/14</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 10,442,670	\$ 2,265,000	\$ 1,853,416	\$ 10,854,254	\$ 1,908,743
Premium	147,979	71,931	41,086	178,824	-
Total Bonds and Notes Payable	10,590,649	2,336,931	1,894,502	11,033,078	1,908,743
Compensated Absences	675,379	419,022	368,952	725,449	454,688
Total Governmental Activities Long-Term Liabilities	<u>\$ 11,266,028</u>	<u>\$ 2,755,953</u>	<u>\$ 2,263,454</u>	<u>\$ 11,758,527</u>	<u>\$ 2,363,431</u>
Business-Type Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 9,675,285	\$ 1,570,000	\$ 707,714	\$ 10,537,571	\$ 683,560
Revenue Bonds	18,956,033	2,110,000	3,477,929	17,588,104	1,420,489
Discounts	(35,074)	-	(18,638)	(16,436)	-
Premiums	121,113	27,195	34,736	113,572	-
Total Bonds and Notes Payable	28,717,357	3,707,195	4,201,741	28,222,811	2,104,049
Compensated Absences	327,830	221,752	214,944	334,638	154,297
Customer Advances for Construction	30,010	-	13,082	16,928	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 29,075,197</u>	<u>\$ 3,928,947</u>	<u>\$ 4,429,767</u>	<u>\$ 28,574,377</u>	<u>\$ 2,258,346</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/14</u>
Governmental Activities					
Long-Term General Obligations					
2007 General Obligation Promissory Notes	04/02/07	04/01/17	3.75-3.80%	\$ 1,770,000	\$ 900,000
2008 General Obligation Promissory Notes	05/21/08	04/01/18	3.50-3.60%	298,734	182,013
2009 State Trust Fund/Build America Bonds	12/01/09	03/15/19	4.50%*	916,160	518,271
2010 State Trust Fund/Build America Bonds	12/28/10	03/15/20	3.75%*	2,885,120	1,958,096
2011 General Obligation Promissory Notes	04/29/11	04/29/16	1.60%	100,000	100,000
2012 General Obligation Promissory Notes	11/13/12	10/01/02	1.00-2.00%	1,645,000	1,542,454
2013 General Obligation Promissory Notes	10/01/13	04/01/23	2.00-3.00%	3,553,090	3,388,420
2014 General Obligation Promissory Notes	08/18/14	04/01/24	2.00%	2,265,000	<u>2,265,000</u>
Total Governmental Activities Long-Term General Obligations					<u>\$10,854,254</u>
Business-Type Activities					
Long-Term General Obligations					
2008 General Obligation Promissory Notes	05/21/08	04/01/18	3.50-3.60%	\$ 1,211,266	\$ 737,987
2010 Clean Water Fund Loan	01/13/10	05/01/29	3.15%	1,715,986	1,436,116
2010 State Trust Fund/Build America Bonds	12/28/10	03/15/29	3.75%*	2,373,875	1,990,650
2012 General Obligation Promissory Notes	11/13/12	04/01/22	1.00-2.00%	1,725,000	1,617,549
2013 Clean Water Fund Loan**	02/13/13	05/01/32	2.65%	3,289,151	3,153,689
2013 General Obligation Promissory Notes	10/01/13	04/01/23	2.00-3.00%	31,910	31,580
2014 General Obligation Promissory Notes	08/18/14	04/01/24	2.00%	1,570,000	<u>1,570,000</u>
Total Business-Type Activities Long-Term General Obligations					<u>\$10,537,571</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 budget.

** 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.

The annual principal and interest maturities for general obligation debt are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>General Obligation Debt</u>		<u>General Obligation Debt</u>		<u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,908,743	\$ 282,535	\$ 683,560	\$ 313,161	\$ 2,592,303	\$ 595,696
2016	1,866,893	225,046	651,329	288,747	2,518,222	513,793
2017	1,686,297	175,057	834,153	266,436	2,520,450	441,493
2018	1,418,226	131,375	904,814	241,454	2,323,040	372,829
2019	1,394,990	92,881	751,341	217,932	2,146,331	310,813
2020-2024	2,579,105	92,368	3,800,195	766,448	6,379,300	858,816
2025-2029	-	-	2,278,517	311,241	2,278,517	311,241
2030-2032	-	-	633,662	25,442	633,662	25,442
	<u>\$10,854,254</u>	<u>\$ 999,262</u>	<u>\$10,537,571</u>	<u>\$2,430,861</u>	<u>\$21,391,825</u>	<u>\$3,430,123</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

Estimated payments of accumulated employee benefits and other commitments are not included in the above schedule. For governmental activities, the other long-term liabilities are generally funded by the general fund.

LEGAL MARGIN FOR DEBT

The 2014 equalized valuation of the Town as certified by the Wisconsin Department of Revenue is \$1,434,553,900. The legal debt limit and margin of indebtedness as of December 31, 2014, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Equalized Valuation of the Town	\$ 1,434,553,900
Statutory Limitation Percentage	<u>5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	71,727,695
Net Outstanding General Obligation Debt Applicable to Debt Service Fund	<u>20,427,982</u>
Legal Margin for New Debt	<u>\$ 51,299,713</u>

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 \$21,234,407. Principal and interest paid for the current year and total customer gross revenues were \$4,115,996 and \$8,568,652, respectively.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

Revenue Debt (Continued)

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

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/14</u>
Water Utility					
2005 Revenue Bonds	06/01/05	05/01/25	3.25-4.50%	\$ 2,780,717	\$ 1,742,789
2005 Revenue Bonds	12/15/05	05/01/25	4.00-4.25%	2,176,551	1,460,160
2007 Revenue Bonds	04/01/07	05/01/27	3.70-4.25%	1,983,529	1,506,801
2008 Revenue Bonds	05/21/08	05/01/28	2.80-4.50%	1,805,000	1,435,000
2012 Revenue Bonds	07/02/12	05/01/21	2.00-3.00%	1,367,863	1,094,290
2014 Revenue Bonds	02/03/14	05/01/23	2.00-2.55%	1,412,012	<u>1,412,012</u>
Total Water Utility Revenue Bonds					<u>\$ 8,651,052</u>
Sewer Utility					
2004 Revenue Bonds*	04/14/04	05/01/23	3.98%	\$ 1,595,338	\$ 186,409
2005 Revenue Bonds	06/01/05	05/01/25	3.25-4.50%	809,283	507,211
2005 Revenue Bonds	12/15/05	05/01/25	4.00-4.25%	2,593,449	1,739,840
2007 Revenue Bonds	04/01/07	05/01/27	3.70-4.25%	346,471	263,199
2009 Revenue Bonds*	11/25/09	05/01/29	2.67%	5,710,879	4,936,695
2012 Revenue Bonds	07/02/12	05/01/21	2.00-3.00%	757,137	605,710
2014 Revenue Bonds	02/03/14	05/01/23	2.00-2.55%	697,988	<u>697,988</u>
Total Sewer Utility Revenue Bonds					<u>\$ 8,937,052</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 has been recorded by the Town of Menasha Sewer Utility and will be reduced as payments are made.

Debt service requirements to maturity are as follows:

	Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,420,489	\$ 562,191	\$ 1,982,680
2016	1,458,255	518,197	1,976,452
2017	1,516,228	471,053	1,987,280
2018	1,564,414	420,519	1,984,933
2019	1,612,819	367,945	1,980,763
2020-2024	6,714,585	1,091,943	7,806,528
2025-2029	<u>3,301,316</u>	<u>214,456</u>	<u>3,515,771</u>
	<u>\$ 17,588,104</u>	<u>\$ 3,646,303</u>	<u>\$ 21,234,407</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 7 - NET POSITION

GOVERNMENT- WIDE STATEMENTS

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

	<u>Governmental Activities</u>
Net Investment in Capital Assets	
Net Capital Assets	\$ 59,025,982
Less: Related Long-Term Debt Outstanding	(10,854,254)
Plus: Unspent Capital Related Debt Proceeds	474,584
Plus: Noncapital Debt Proceeds	100,000
Less: Unamortized Debt Premium	<u>(178,824)</u>
Net Investment in Capital Assets	<u>48,567,488</u>
Restricted for:	
General Government	
Santa Float	<u>1,038</u>
Public Safety	
GREAT	789
Public Protection	42,477
PD National Night Out	6,736
PD Neighborhood Watch	427
PD Community Relations	770
PD Equitable Sharing	1,403
K-9 Unit	1,001
Fire Safety House	1,912
FD Citizen Academy	316
FD Safety Day	1,049
FD Safety Hunt	1,220
FD Public Education	2
Fire Thermal Image Camera	2,607
Fire Defibrillators	137
First Responders	475
Annual Car Event	736
Total Public Safety	<u>62,057</u>
Public Works	
Garbage Collection	<u>222,626</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 7 - NET POSITION (Continued)

GOVERNMENT- WIDE STATEMENTS (Continued)

	Governmental Activities
Restricted for:	
Leisure Activities	
Park Improvements	\$ 4,877
PALS	346
Friends of the Park	8,485
Disc Golf	33,107
Round Up Program	513
Dance Competition	234
Boat Trailer Parking Fees	11,361
Indian Mound	207
Tree Planting	1,826
Trail Donations	54
Special Events	2,629
Open Space	54,468
Total Leisure Activities	<u>118,107</u>
Community Development	
Directional Signage	2,332
Sustainability	5,327
Total Community Development	<u>7,659</u>
Total Restricted	<u>411,487</u>
Unrestricted	<u>9,859,625</u>
Total Government-Wide Net Position	<u>\$ 58,838,600</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 7 - NET POSITION (Continued)

BUSINESS-TYPE ACTIVITIES

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

	Water Utility	Sewer Utility	Stormwater Utility
Net Investment in Capital Assets			
Plant in Service	\$ 38,997,436	\$ 31,127,912	\$ 14,111,154
Land	144,200	64,705	989,909
Construction Work in Progress	11,516	17,375	1,997,617
Accumulated Depreciation	<u>(11,275,024)</u>	<u>(9,795,304)</u>	<u>(2,990,562)</u>
Subtotal	<u>27,878,128</u>	<u>21,414,688</u>	<u>14,108,118</u>
Less: Related Long-Term Debt Outstanding			
Current Portion of General Obligation Debt	111,948	8,749	423,817
Current Portion of Revenue Bonds	773,862	356,138	-
General Obligation Debt Invested in Capital Assets	1,892,553	8,981	4,982,070
Revenue Bonds Invested in Capital Assets	7,877,190	3,457,810	-
Unamortized Premium	45,338	23,998	-
Unamortized Loss on Advance Refunding and Debt Discount	<u>(21,038)</u>	<u>(2,226)</u>	<u>-</u>
Subtotal	<u>10,679,853</u>	<u>3,853,450</u>	<u>5,405,887</u>
Add: Unspent Debt Proceeds			
Reserve from Borrowing	<u>996,217</u>	<u>439,875</u>	<u>144,598</u>
Net Investment in Capital Assets	<u><u>\$ 18,194,492</u></u>	<u><u>\$ 18,001,113</u></u>	<u><u>\$ 8,846,829</u></u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 7 - NET POSITION (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

The following calculation supports the amount of restricted net position:

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>
Restricted Net Position			
Restricted Assets			
Redemption Account	\$ 600,506	\$ 256,481	\$ -
Reserve Account	996,217	439,875	-
Depreciation Account	423,201	1,290,852	911,731
Replacement Account	-	302,665	-
Construction Account	-	-	144,598
Total Restricted Assets	<u>2,019,924</u>	<u>2,289,873</u>	<u>1,056,329</u>
Less: Restricted Assets Not Funded by Revenues			
Reserve from Borrowing	<u>(996,217)</u>	<u>(439,875)</u>	<u>-</u>
Less: Current Liabilities Payable from Restricted Assets	<u>(51,994)</u>	<u>(22,130)</u>	<u>-</u>
Total Restricted Net Position	<u>\$ 971,713</u>	<u>\$ 1,827,868</u>	<u>\$ 1,056,329</u>
Purpose of Restricted Net Position			
Debt Service	\$ 548,512	\$ -	\$ -
Depreciation Account	423,201	1,290,852	911,731
Reserve Account	-	234,351	-
Replacement Account	-	302,665	-
Construction Account	-	-	144,598
Total Restricted Net Position	<u>\$ 971,713</u>	<u>\$ 1,827,868</u>	<u>\$ 1,056,329</u>

NOTE 8 - DEFINED BENEFIT PENSION PLAN

All eligible Town of Menasha employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating System employer prior to July 1, 2011, expected to work at least 600 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 System. All employees, initially employed by a participating System 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 System.

Employees are required to contribute one-half of the actuarially determined contribution rate for General category employees, including Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2014 are:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.56%
Protective without Social Security	7.00%	14.16%

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The payroll for the Town of Menasha employees covered by the System for the year ended December 31, 2014, was \$4,979,203; the employer's total payroll was 5,060,037. The total required contributions for the year ended December 31, 2014, was \$774,579, which consisted of \$425,865, or 8.55% of payroll from the employer, and \$348,712, or 7.00% from the employees. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ended December 31, 2013 and 2012 were \$832,448 and \$751,853, respectively, equal to the required contributions for each year resulting in 100 percent of the required contributions being contributed in each of the two prior years.

Employees who retire at or after 65 (62 elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective 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. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting 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 become System eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The System also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

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 matches the employee contributions up to \$15 per calendar month. The Town of Menasha's contributions were \$1,965, \$2,340 and \$3,075, for the years ended December 31, 2014, 2013 and 2012, respectively.

NOTE 9 - 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; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage. The Town has purchased commercial insurance for medical, dental and other risks. The Town purchases commercial insurance for short-term disability coverage and the other risks. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in the past year.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

From time to time the Town is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of Town management, these issues, and any other proceedings known to exist at December 31, 2014, are not likely to have a material adverse impact on the Town's financial position.

Funding for the operating budget of the Town comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Town. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Town.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 10 - COMMITMENTS AND CONTINGENCIES (Continued)

The Town has active construction projects as of December 31, 2014. Work has been completed on these projects but not yet paid for (including contract retainages) and is reflected as accounts payable and expenditures.

NOTE 11 - WATER AND SEWER UTILITIES ADDITIONAL INFORMATION AND BOND COVENANT DISCLOSURES

Number of Customers (Unaudited)

The utilities served the following number of customers at December 31, 2014:

	Unaudited
Residential	7,527
Multi-Family	221
Commercial	734
Industrial	25
Public authority	<u>21</u>
Total	<u><u>8,528</u></u>

Debt Coverage – Water Utility and Sewer Utility

The debt agreement 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	\$ 8,370,660
Investment income	61,237
Less: Operation and maintenance expense	<u>(5,491,256)</u>
Computed Net Earnings	<u><u>\$ 2,940,641</u></u>
Subsequent year revenue bond debt service	\$ 1,982,680
Less: GCMW debt service not subject to coverage	<u>(423,444)</u>
Total debt service subject to coverage	1,559,236
Coverage factor required by debt agreement	<u>1.25</u>
Required Net Earnings	<u><u>\$ 1,949,045</u></u>

The utilities have met their debt coverage for 2014.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2014

NOTE 12 - 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.

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENT

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Town is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending December 31, 2015.

NOTE 14 - SUBSEQUENT EVENT

On February 9, 2015, the Town issued Revenue Refunding Bonds, in the amount of \$4,780,000, which refinanced the June 2005 and December 2005 Utility Revenue Bonds. With this refinance, the Utility saved \$488,165 in present value savings over the remaining life of the debt.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MENASHA, WISCONSIN
Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual
General Fund
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes				
Local Tax Levy	\$ 6,032,716	\$ 6,032,716	\$ 6,013,156	\$ (19,560)
Mobile Home Taxes	60,000	60,000	63,828	3,828
Other Taxes	500	500	2,211	1,711
Total Taxes	<u>6,093,216</u>	<u>6,093,216</u>	<u>6,079,195</u>	<u>(14,021)</u>
Intergovernmental				
State Aid - Shared Taxes	341,306	341,306	341,895	589
State Aid - Computer Exempt	208,399	208,399	196,115	(12,284)
State Aid - Fire Insurance Dues	49,616	49,616	57,808	8,192
State Aid - General Transportation	564,942	564,942	564,820	(122)
State Aid - Other Transportation	71,257	71,257	63,654	(7,603)
State Aid - Other	76,161	76,161	75,915	(246)
Federal Aid - Other	97,685	97,685	93,164	(4,521)
Total Intergovernmental	<u>1,409,366</u>	<u>1,409,366</u>	<u>1,393,371</u>	<u>(15,995)</u>
Licenses and Permits				
Tavern Operators Licenses	12,200	12,200	53,808	41,608
Liquor and Malt Beverage Licenses	11,600	11,600	9,762	(1,838)
Cigarette Licenses	1,100	1,100	1,114	14
Mobile Home Park	700	700	700	-
Dog and Cat Licenses	9,930	9,930	10,070	140
Cable TV Franchise Fee	250,000	250,000	236,410	(13,590)
Other Miscellaneous Licenses	1,090	1,090	2,900	1,810
Amusement Licenses	3,250	3,250	2,700	(550)
Building Permits	75,000	75,000	124,275	49,275
Electrical Permits	20,000	20,401	27,888	7,487
Plumbing Permits	10,000	10,000	19,217	9,217
Heating Permits	15,000	15,000	31,598	16,598
Sign Permits	2,500	2,500	2,050	(450)
State Permits	2,700	2,700	2,970	270
Zoning Permits	16,000	16,000	26,185	10,185
Tank Inspection	3,600	3,600	4,376	776
Non-Metallic Mining Permit	3,912	3,912	3,973	61
Fire Protection Permits	750	750	2,201	1,451
Street Excavation	1,500	1,500	4,225	2,725
Total Licenses and Permits	<u>440,832</u>	<u>441,233</u>	<u>566,422</u>	<u>125,189</u>
Fines and Forfeits				
Court Penalties and Costs	158,000	161,061	170,035	8,974
Parking Violations	9,000	9,000	13,671	4,671
Other	8,600	8,600	8,801	201
Total Fines and Forfeits	<u>175,600</u>	<u>178,661</u>	<u>192,507</u>	<u>13,846</u>

TOWN OF MENASHA, WISCONSIN
Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual
General Fund
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
Public Charges for Services				
Real Estate Inquiries	\$ 16,000	\$ 16,000	\$ 15,780	\$ (220)
License Publication Fees	1,430	1,430	1,490	60
Weed Control Fees	1,000	1,000	405	(595)
Copying Fees	225	225	267	42
Copy Fees-Police	1,300	1,300	945	(355)
Copy Fees-Fire	25	25	61	36
Parks	12,574	12,574	12,968	394
Recreation	68,822	68,822	79,503	10,681
False Alarm Fees-Police	900	900	1,125	225
False Alarm Fees-Fire	2,500	2,500	4,281	1,781
Fire Services-Prevention Visits	750	750	725	(25)
Fire Services-Vehicle Response	14,000	14,000	14,012	12
Other	17,191	17,191	21,577	4,386
Total Public Charges for Services	<u>136,717</u>	<u>136,717</u>	<u>153,139</u>	<u>16,422</u>
Special Assessments				
Special Assessments	<u>13,806</u>	<u>13,806</u>	<u>17,323</u>	<u>3,517</u>
Investment Income				
Investment Income	<u>50,000</u>	<u>50,000</u>	<u>85,707</u>	<u>35,707</u>
Miscellaneous				
Sale of Town Property	200	200	651	451
Rental Income	235,917	235,917	179,757	(56,160)
Miscellaneous	14,400	19,154	52,966	33,812
Total Miscellaneous	<u>250,517</u>	<u>255,271</u>	<u>233,374</u>	<u>(21,897)</u>
Total Revenues	<u>8,570,054</u>	<u>8,578,270</u>	<u>8,721,038</u>	<u>142,768</u>
OTHER FINANCING SOURCES				
Transfers In-Other Funds	118,168	119,445	130,490	11,045
Transfers In-Payment in Lieu of Taxes	500,000	500,000	544,573	44,573
Total Other Financing Sources	<u>618,168</u>	<u>619,445</u>	<u>675,063</u>	<u>55,618</u>
Total General Fund Revenues and Other Financing Sources	<u>\$ 9,188,222</u>	<u>\$ 9,197,715</u>	<u>\$ 9,396,101</u>	<u>\$ 198,386</u>

TOWN OF MENASHA, WISCONSIN
Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual
General Fund
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES				
General Government				
Town Board	\$ 40,572	\$ 40,572	\$ 36,809	\$ 3,763
Administrator	256,404	256,404	164,797	91,607
Town Clerk	79,605	79,605	71,944	7,661
Finance	271,814	271,814	212,801	59,013
Elections	32,245	32,245	27,445	4,800
Information Technology	285,104	285,104	275,780	9,324
Assessor	129,135	129,135	110,060	19,075
Municipal Complex	279,551	279,551	259,947	19,604
Legal Counsel	91,904	91,904	67,009	24,895
Judicial	93,990	97,051	97,050	1
Other General Government	270,841	270,841	189,141	81,700
Total General Government	<u>1,831,165</u>	<u>1,834,226</u>	<u>1,512,783</u>	<u>321,443</u>
Public Safety				
Police	3,194,734	3,202,217	3,109,984	92,233
Fire	950,212	956,885	872,697	84,188
Inspections	145,296	145,697	145,697	-
Total Public Safety	<u>4,290,242</u>	<u>4,304,799</u>	<u>4,128,378</u>	<u>176,421</u>
Public Works				
Engineering	25,500	25,500	22,987	2,513
Street Maintenance	1,662,025	1,662,025	1,450,146	211,879
Transportation Services	232,500	232,500	205,695	26,805
Weed and Nuisance	1,000	1,000	407	593
Total Public Works	<u>1,921,025</u>	<u>1,921,025</u>	<u>1,679,235</u>	<u>241,790</u>
Leisure Activities				
Parks and Public Areas	578,833	580,110	561,747	18,363
Recreation	269,530	269,530	260,970	8,560
Total Leisure Activities	<u>848,363</u>	<u>849,640</u>	<u>822,717</u>	<u>26,923</u>
Conservation and Development				
Community Development	135,751	135,751	132,969	2,782
Total Expenditures	<u>9,026,546</u>	<u>9,045,441</u>	<u>8,276,082</u>	<u>769,359</u>
OTHER FINANCING USES				
Transfers Out	<u>559,870</u>	<u>559,870</u>	<u>559,870</u>	<u>-</u>
Total General Fund Expenditures and Other Financing Uses	<u><u>\$ 9,586,416</u></u>	<u><u>\$ 9,605,311</u></u>	<u><u>\$ 8,835,952</u></u>	<u><u>\$ 769,359</u></u>

TOWN OF MENASHA, WISCONSIN
Notes to Required Supplementary Information
For the Year Ended December 31, 2014

BUDGETARY PROCESS

The Town follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- Prior to November 20, Town management submits to the Town Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.
- 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 intradepartmental 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.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all Town funds. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget. Comparison schedules are presented on the same basis of accounting used in preparing the adopted budget.
- During the year, formal budgetary integration is employed as a management control device for the governmental and proprietary funds.
- Encumbrance accounting is used by the Town to record commitments related to unperformed contracts for goods or services. Appropriations lapse at year end unless specifically carried over.
- The Town did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2014.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

The Town had no significant unfavorable expenditure budget variances for the year ended December 31, 2014.

SUPPLEMENTARY INFORMATION

TOWN OF MENASHA, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

As of December 31, 2014

	<u>Garbage Collection/ Recycling</u>	<u>Grants</u>	<u>GREAT</u>	<u>Other Special Revenue</u>	<u>Total NonMajor Funds</u>
ASSETS					
Cash and Investments	\$ 351,678	\$ 383	\$ 789	\$ 189,561	\$ 542,411
Receivables					
Taxes	881,510	-	-	-	881,510
Accounts	3,764	-	-	50	3,814
TOTAL ASSETS	<u>\$ 1,236,952</u>	<u>\$ 383</u>	<u>\$ 789</u>	<u>\$ 189,611</u>	<u>\$ 1,427,735</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 132,816	\$ 383	\$ -	\$ 1,539	\$ 134,738
Deferred Inflows of Resources:					
Taxes Levied for Subsequent Periods	881,510	-	-	-	881,510
Fund Balances					
Restricted	222,626	-	789	188,072	411,487
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,236,952</u>	<u>\$ 383</u>	<u>\$ 789</u>	<u>\$ 189,611</u>	<u>\$ 1,427,735</u>

TOWN OF MENASHA, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Garbage Collection/ Recycling	Grants	GREAT	Other Special Revenue	Total NonMajor Funds
REVENUES					
Intergovernmental	\$ 59,709	\$ 18,582	\$ -	\$ -	\$ 78,291
Public Charges for Services	865,082	-	-	144,602	1,009,684
Investment Income	1,437	-	-	269	1,706
Miscellaneous	12,616	-	-	35,460	48,076
Total Revenues	<u>938,844</u>	<u>18,582</u>	<u>-</u>	<u>180,331</u>	<u>1,137,757</u>
EXPENDITURES					
General Government	-	-	-	1,073	1,073
Public Safety	-	-	-	8,229	8,229
Public Works	875,326	-	-	-	875,326
Liesure Activities	-	-	-	4,524	4,524
Conservation and Development	-	2,731	-	-	2,731
Capital Outlay	14,991	-	-	-	14,991
Total Expenditures	<u>890,317</u>	<u>2,731</u>	<u>-</u>	<u>13,826</u>	<u>906,874</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>48,527</u>	<u>15,851</u>	<u>-</u>	<u>166,505</u>	<u>230,883</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	500	500
Transfers Out	(168,189)	(15,851)	-	(88,041)	(272,081)
Total Other Financing Sources (Uses)	<u>(168,189)</u>	<u>(15,851)</u>	<u>-</u>	<u>(87,541)</u>	<u>(271,581)</u>
NET CHANGE IN FUND BALANCES	(119,662)	-	-	78,964	(40,698)
FUND BALANCES - BEGINNING	342,288	-	789	109,108	452,185
FUND BALANCES - ENDING	<u>\$ 222,626</u>	<u>\$ -</u>	<u>\$ 789</u>	<u>\$ 188,072</u>	<u>\$ 411,487</u>

TOWN OF MENASHA, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Debt Service Fund
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes	\$ 1,843,440	\$ 1,843,440	\$ 1,843,440	\$ -
Special Assessments	107,415	107,415	100,713	(6,702)
Intergovernmental	39,225	39,225	36,400	(2,825)
Public Charges for Services	10,000	10,000	31,217	21,217
Investment Income	47,000	47,000	27,550	(19,450)
Total Revenues	<u>2,047,080</u>	<u>2,047,080</u>	<u>2,039,320</u>	<u>(7,760)</u>
EXPENDITURES				
Debt Service				
Principal	1,853,416	1,853,416	1,853,416	-
Interest and Fiscal Charges	365,951	365,951	289,975	75,976
Total Expenditures	<u>2,219,367</u>	<u>2,219,367</u>	<u>2,143,391</u>	<u>75,976</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(172,287)</u>	<u>(172,287)</u>	<u>(104,071)</u>	<u>68,216</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Long-Term Debt	-	-	57,783	57,783
Transfers In	64,044	64,044	142,208	78,164
Transfers Out	(20,599)	(20,599)	(617)	19,982
Total Other Financing Sources (Uses)	<u>43,445</u>	<u>43,445</u>	<u>199,374</u>	<u>155,929</u>
NET CHANGE IN FUND BALANCE	(128,842)	(128,842)	95,303	224,145
FUND BALANCE - BEGINNING	<u>868,540</u>	<u>868,540</u>	<u>868,540</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 739,698</u>	<u>\$ 739,698</u>	<u>\$ 963,843</u>	<u>\$ 224,145</u>

TOWN OF MENASHA, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ 1,107	\$ 1,107
Miscellaneous	-	-	8,127	8,127
Total Revenues	<u>-</u>	<u>-</u>	<u>9,234</u>	<u>9,234</u>
EXPENDITURES				
Public Works	-	-	443,249	(443,249)
Debt Service				
Interest and Fiscal Charges	-	-	39,832	(39,832)
Capital Outlay	3,851,668	3,918,108	1,852,826	2,065,282
Total Expenditures	<u>3,851,668</u>	<u>3,918,108</u>	<u>2,335,907</u>	<u>1,582,201</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(3,851,668)</u>	<u>(3,918,108)</u>	<u>(2,326,673)</u>	<u>1,591,435</u>
OTHER FINANCING SOURCES				
Issuance of Long-Term Debt	2,271,104	2,271,104	2,207,217	(63,887)
Bond Premium	-	-	71,931	71,931
Total Other Financing Sources	<u>2,271,104</u>	<u>2,271,104</u>	<u>2,279,148</u>	<u>8,044</u>
NET CHANGE IN FUND BALANCE	(1,580,564)	(1,647,004)	(47,525)	1,599,479
FUND BALANCE - BEGINNING	<u>846,538</u>	<u>846,538</u>	<u>846,538</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ (734,026)</u>	<u>\$ (800,466)</u>	<u>\$ 799,013</u>	<u>\$ 1,599,479</u>

TOWN OF MENASHA, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Equipment Replacement Fund
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ 14,489	\$ 14,489
EXPENDITURES				
Capital Outlay	790,909	1,071,436	975,380	96,056
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(790,909)</u>	<u>(1,071,436)</u>	<u>(960,891)</u>	<u>110,545</u>
OTHER FINANCING SOURCES				
Sale of capital assets	51,250	86,250	122,785	36,535
Transfers In	559,370	559,370	559,370	-
Total Other Financing Sources	<u>610,620</u>	<u>645,620</u>	<u>682,155</u>	<u>36,535</u>
NET CHANGE IN FUND BALANCE	(180,289)	(425,816)	(278,736)	147,080
FUND BALANCE - BEGINNING	<u>2,641,424</u>	<u>2,641,424</u>	<u>2,641,424</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,461,135</u>	<u>\$ 2,215,608</u>	<u>\$ 2,362,688</u>	<u>\$ 147,080</u>

TOWN OF MENASHA, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Garbage Collection/Recycling - Special Revenue Fund
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 59,793	\$ 59,793	\$ 59,709	\$ (84)
Public Charges for Services	863,102	863,102	865,082	1,980
Investment Income	2,300	2,300	1,437	(863)
Miscellaneous	1,442	1,442	12,616	11,174
Total Revenues	<u>926,637</u>	<u>926,637</u>	<u>938,844</u>	<u>12,207</u>
EXPENDITURES				
Public Works	869,071	878,271	875,326	2,945
Capital Outlay	5,874	21,020	14,991	6,029
Total Expenditures	<u>874,945</u>	<u>899,291</u>	<u>890,317</u>	<u>8,974</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>51,692</u>	<u>27,346</u>	<u>48,527</u>	<u>21,181</u>
OTHER FINANCING USES				
Transfers Out	<u>(157,527)</u>	<u>(157,527)</u>	<u>(168,189)</u>	<u>(10,662)</u>
NET CHANGE IN FUND BALANCE	(105,835)	(130,181)	(119,662)	10,519
FUND BALANCE - BEGINNING	<u>342,288</u>	<u>342,288</u>	<u>342,288</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 236,453</u>	<u>\$ 212,107</u>	<u>\$ 222,626</u>	<u>\$ 10,519</u>

TOWN OF MENASHA, WISCONSIN
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
 Grants - Special Revenue Fund
 For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 15,237	\$ 15,237	\$ 18,582	\$ 3,345
EXPENDITURES				
Conservation and Development	5,237	5,237	2,731	2,506
EXCESS OF REVENUES OVER EXPENDITURES	<u>10,000</u>	<u>10,000</u>	<u>15,851</u>	<u>5,851</u>
OTHER FINANCING USES				
Transfers Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(15,851)</u>	<u>(5,851)</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, WISCONSIN
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
 GREAT - Special Revenue Fund
 For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Public Safety	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING	<u>789</u>	<u>789</u>	<u>789</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 789</u>	<u>\$ 789</u>	<u>\$ 789</u>	<u>\$ -</u>

TOWN OF MENASHA, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Other Special Revenue
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Public Charges for Services	\$ 27,500	\$ 27,500	\$ 144,602	\$ 117,102
Investment Income	100	100	269	169
Miscellaneous	53,300	53,300	35,460	(17,840)
Total Revenues	<u>80,900</u>	<u>80,900</u>	<u>180,331</u>	<u>99,431</u>
EXPENDITURES				
General Government	1,200	1,200	1,073	127
Public Safety	18,650	18,650	8,229	10,421
Liesure Activities	10,650	10,650	4,524	6,126
Total Expenditures	<u>30,500</u>	<u>30,500</u>	<u>13,826</u>	<u>16,674</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>50,400</u>	<u>50,400</u>	<u>166,505</u>	<u>116,105</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	500	500	500	-
Transfers Out	(14,086)	(20,117)	(88,041)	(67,924)
Total Other Financing Sources (Uses)	<u>(13,586)</u>	<u>(19,617)</u>	<u>(87,541)</u>	<u>(67,924)</u>
NET CHANGE IN FUND BALANCE	36,814	30,783	78,964	48,181
FUND BALANCE - BEGINNING	<u>109,108</u>	<u>109,108</u>	<u>109,108</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 145,922</u>	<u>\$ 139,891</u>	<u>\$ 188,072</u>	<u>\$ 48,181</u>

TOWN OF MENASHA, WISCONSIN
 Combining Balance Sheet Schedule
 Nonmajor Other Special Revenue Funds
 As of December 31, 2014

	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
ASSETS											
Cash and Investments	\$ 4,877	\$ -	\$ 42,477	\$ 6,736	\$ 427	\$ 770	\$ 1,403	\$ 1,001	\$ 346	\$ 9,966	\$ 33,107
Receivables	-	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	50	-
TOTAL ASSETS	<u>\$ 4,877</u>	<u>\$ -</u>	<u>\$ 42,477</u>	<u>\$ 6,736</u>	<u>\$ 427</u>	<u>\$ 770</u>	<u>\$ 1,403</u>	<u>\$ 1,001</u>	<u>\$ 346</u>	<u>\$ 10,016</u>	<u>\$ 33,107</u>
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,531	\$ -
Fund Balance											
Restricted	4,877	-	42,477	6,736	427	770	1,403	1,001	346	8,485	33,107
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,877</u>	<u>\$ -</u>	<u>\$ 42,477</u>	<u>\$ 6,736</u>	<u>\$ 427</u>	<u>\$ 770</u>	<u>\$ 1,403</u>	<u>\$ 1,001</u>	<u>\$ 346</u>	<u>\$ 10,016</u>	<u>\$ 33,107</u>

TOWN OF MENASHA, WISCONSIN
 Combining Balance Sheet Schedule
 Nonmajor Other Special Revenue Funds
 As of December 31, 2014

	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	FD Public Education
ASSETS											
Cash and Investments	\$ 513	\$ 234	\$ 11,361	\$ 207	\$ 1,826	\$ 54	\$ 1,912	\$ 316	\$ 1,057	\$ 1,220	\$ 2
Receivables	-	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 513</u>	<u>\$ 234</u>	<u>\$ 11,361</u>	<u>\$ 207</u>	<u>\$ 1,826</u>	<u>\$ 54</u>	<u>\$ 1,912</u>	<u>\$ 316</u>	<u>\$ 1,057</u>	<u>\$ 1,220</u>	<u>\$ 2</u>
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ -	\$ -
Fund Balance											
Restricted	513	234	11,361	207	1,826	54	1,912	316	1,049	1,220	2
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 513</u>	<u>\$ 234</u>	<u>\$ 11,361</u>	<u>\$ 207</u>	<u>\$ 1,826</u>	<u>\$ 54</u>	<u>\$ 1,912</u>	<u>\$ 316</u>	<u>\$ 1,057</u>	<u>\$ 1,220</u>	<u>\$ 2</u>

TOWN OF MENASHA, WISCONSIN
 Combining Balance Sheet Schedule
 Nonmajor Other Special Revenue Funds
 As of December 31, 2014

	Fire Thermal Image Camera	Fire Defibrillators	1st Responders	Open Space	Santa Float	Annual Car Event	Directional Signage	Sustain- ability	Special Events	Total NonMajor Other Special Revenue Funds
ASSETS										
Cash and Investments	\$ 2,607	\$ 137	\$ 475	\$ 54,468	\$ 1,038	\$ 736	\$ 2,332	\$ 5,327	\$ 2,629	\$ 189,561
Receivables	-	-	-	-	-	-	-	-	-	-
Accounts	2,607	137	475	54,468	1,038	736	2,332	5,327	2,629	189,561
TOTAL ASSETS										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,539
Fund Balance										
Restricted	2,607	137	475	54,468	1,038	736	2,332	5,327	2,629	188,072
TOTAL LIABILITIES AND FUND BALANCES										
	\$ 2,607	\$ 137	\$ 475	\$ 54,468	\$ 1,038	\$ 736	\$ 2,332	\$ 5,327	\$ 2,629	\$ 189,611

TOWN OF MENASHA, WISCONSIN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Other Special Revenue Funds
 For the Year Ended December 31, 2014

	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	\$ -	\$ 78,164	\$ 12,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	7	-	60	10	1	2	2	1	1	10	47
Miscellaneous	-	-	-	5,852	-	370	-	-	-	5,082	16,894
Total Revenues	7	78,164	12,108	5,862	1	372	2	1	1	5,092	16,941
EXPENDITURES											
General Government	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	5,821	-	255	-	-	-	-	-
Leisure Activities	-	-	-	-	-	-	-	-	-	3,618	-
Total Expenditures	-	-	-	5,821	-	255	-	-	-	3,618	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7	78,164	12,108	41	1	117	2	1	1	1,474	16,941
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	(78,164)	-	-	-	-	-	-	-	-	(9,877)
Total Other Financing Sources (Uses)	-	(78,164)	-	-	-	-	-	-	-	-	(9,877)
NET CHANGE IN FUND BALANCES	7	-	12,108	41	1	117	2	1	1	1,474	7,064
FUND BALANCES - BEGINNING	4,870	-	30,369	6,695	426	653	1,401	1,000	345	7,011	26,043
FUND BALANCES - ENDING	\$ 4,877	\$ -	\$ 42,477	\$ 6,736	\$ 427	\$ 770	\$ 1,403	\$ 1,001	\$ 346	\$ 8,485	\$ 33,107

TOWN OF MENASHA, WISCONSIN
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Other Special Revenue Funds
 For the Year Ended December 31, 2014

	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	FD Public Education
REVENUES											
Public Charges for Services	-	-	-	-	-	-	-	-	-	-	-
Investment Income	1	-	16	-	2	-	3	1	2	2	-
Miscellaneous	35	-	3,358	-	30	-	100	-	1,160	1,210	-
Total Revenues	36	-	3,374	-	32	-	103	1	1,162	1,212	-
EXPENDITURES											
General Government	-	-	-	-	-	-	-	-	-	-	-
0 Public Safety	-	-	-	-	-	-	101	-	1,143	807	102
0 Leisure Activities	-	-	42	-	25	-	-	-	-	-	-
Total Expenditures	-	-	42	-	25	-	101	-	1,143	807	102
EXCESS (DEFICIENCY) OF REVENUES 0 OVER (UNDER) EXPENDITURES	36	-	3,332	-	7	-	2	1	19	405	(102)
OTHER FINANCING SOURCES (USES)											
0 Transfers In	-	-	-	-	-	-	-	-	-	-	-
0 Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	36	-	3,332	-	7	-	2	1	19	405	(102)
FUND BALANCES - BEGINNING	477	234	8,029	207	1,819	54	1,910	315	1,030	815	104
FUND BALANCES - ENDING	513	234	11,361	207	1,826	54	1,912	316	1,049	1,220	2

TOWN OF MENASHA, WISCONSIN
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Other Special Revenue Funds
 For the Year Ended December 31, 2014

	Fire Thermal Image Camera	Fire Defibrillators	1st Responders	Open Space	Santa Float	Annual Car Event	Directional Signage	Sustain-ability	Special Events	Total NonMajor Other Special Revenue Funds
REVENUES										
Public Charges for Services	\$ -	\$ -	\$ -	\$ 54,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,602
Investment Income	4	-	1	78	1	1	4	8	4	269
Miscellaneous	282	-	-	-	655	180	-	252	-	35,460
Total Revenues	286	-	1	54,468	656	181	4	260	4	180,331
EXPENDITURES										
General Government	-	-	-	-	1,073	-	-	-	-	1,073
Public Safety	-	-	-	-	-	-	-	-	-	8,229
Leisure Activities	-	-	-	-	-	-	458	381	-	4,524
Total Expenditures	-	-	-	-	1,073	-	458	381	-	13,826
0										
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	286	-	1	54,468	(417)	181	(454)	(121)	4	166,505
0										
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	500	-	500
Transfers Out	-	-	-	-	-	-	-	-	-	(88,041)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	500	-	(87,541)
0										
NET CHANGE IN FUND BALANCES	286	-	1	54,468	(417)	181	(454)	379	4	78,964
FUND BALANCES - BEGINNING	2,321	137	474	-	1,455	555	2,786	4,948	2,625	109,108
FUND BALANCES - ENDING	\$ 2,607	\$ 137	\$ 475	\$ 54,468	\$ 1,038	\$ 736	\$ 2,332	\$ 5,327	\$ 2,629	\$ 188,072

TOWN OF MENASHA, WISCONSIN
Statement of Changes in Assets and Liabilities
Fiduciary Fund
As of December 31, 2014

TAX COLLECTION FUND	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
ASSETS				
Cash and Investments	\$ 13,167,080	\$ 13,765,512	\$ 13,167,080	\$ 13,765,512
Receivables - Taxes	10,910,194	10,038,528	10,910,194	10,038,528
Total Assets	<u>\$ 24,077,274</u>	<u>\$ 23,804,040</u>	<u>\$ 24,077,274</u>	<u>\$ 23,804,040</u>
LIABILITIES				
Accounts Payable	\$ 8,181	\$ 10,371	\$ 8,181	\$ 10,371
Due to Other Governments	24,069,093	23,793,669	24,069,093	23,793,669
Total Liabilities	<u>\$ 24,077,274</u>	<u>\$ 23,804,040</u>	<u>\$ 24,077,274</u>	<u>\$ 23,804,040</u>

STATISTICAL SECTION

TOWN OF MENASHA, WISCONSIN
Statistical Section

This section of the Town of Menasha's comprehensive annual financial report presents detailed current and historical information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Town's overall financial health.

Contents

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Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

103-107

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

108-111

Debt Capacity

These schedule present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

112-117

Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

118-121

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

122-124

Sources:

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

Schedule 1

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Capital assets	\$ 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	\$ 48,567,488
Restricted	2,235,727	2,101,821	2,233,155	2,454,243	2,333,154	2,156,486	508,253	528,410	452,185	411,487
Unrestricted	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	9,859,625
Total governmental activities net position	\$ 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	\$ 58,838,600
Business-type Activities										
Capital assets	\$ 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	\$ 45,042,434
Restricted	2,399,552	2,666,489	3,128,129	5,730,405	4,985,371	5,561,773	5,267,200	4,140,739	3,162,602	3,855,910
Unrestricted	6,680,582	7,383,793	7,232,632	5,562,282	5,636,417	4,191,492	4,192,013	6,323,964	7,589,470	7,151,630
Total business-type activities net position	\$ 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	\$ 56,049,974
Primary Government										
Capital assets	\$ 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	\$ 93,609,922
Restricted	4,635,279	4,768,310	5,361,284	8,184,648	7,318,525	7,718,259	5,775,453	4,669,149	3,614,787	4,267,397
Unrestricted	11,862,545	12,559,316	12,396,968	11,643,726	12,298,623	11,013,697	12,616,904	16,134,984	17,459,004	17,011,255
Total primary government net position	\$ 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	\$ 114,888,574

* The Town retroactively reported infrastructure in 2006.

** The Town established a stormwater enterprise fund in 2009 and the net assets were 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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 1,530,119	\$ 1,466,903	\$ 1,548,238	\$ 1,736,327	\$ 1,756,483	\$ 1,687,399	\$ 1,542,715	\$ 1,798,939	\$ 1,597,819	\$ 1,688,386
Public safety	3,456,894	3,943,307	4,161,169	4,176,904	4,254,861	4,164,668	4,212,434	4,383,160	4,506,270	4,548,719
Public works	2,486,016	2,989,086	4,279,908	3,184,945	3,326,475	3,351,189	3,655,320	3,642,092	3,642,092	4,328,646
Leisure activities	177,897	746,555	631,605	974,549	899,836	1,047,315	1,082,925	868,853	1,168,122	1,026,725
Conservation and development	438,352	175,863	160,032	168,509	117,893	134,920	131,864	128,584	135,700	135,700
Interest & fiscal charges	10,401,803	9,773,705	11,323,675	10,784,733	10,612,319	10,798,069	10,886,114	11,234,659	11,507,259	12,004,545
Total Governmental Activities Expenses	\$ 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	\$ 4,096,150
Business-type activities:										
Water utility	2,417,130	2,686,533	2,713,367	2,819,991	3,033,559	3,376,541	3,212,936	3,094,721	3,172,812	3,268,648
Sewer utility	5,164,832	5,783,258	6,201,804	6,590,613	7,311,548	8,027,495	8,004,172	8,313,039	8,033,977	8,448,821
Storm water utility	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	20,453,366
Total Business-type Activities Expenses	\$ 1,044,585	\$ 1,223,180	\$ 1,258,007	\$ 1,419,536	\$ 1,420,008	\$ 1,598,406	\$ 1,476,916	\$ 1,572,177	\$ 1,568,628	\$ 1,978,362
Program Revenues										
Governmental activities:										
Charges for services:	1,024,799	1,034,354	1,061,770	1,075,920	974,942	946,386	1,028,129	946,386	929,463	936,373
Operating grants and contributions	4,700,304	4,296,303	2,145,537	395,368	394,951	991,986	91,525	212,240	134,432	129,848
Capital grants and contributions	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	3,044,583
Total Governmental Activities Program Revenues	\$ 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	\$ 4,889,852
Business-type activities:										
Charges for services:	2,650,671	2,599,903	2,604,852	2,643,632	2,589,860	2,630,670	3,002,535	3,557,516	3,476,960	3,481,008
Water utility	5,955,021	5,804,205	6,039,065	6,233,378	6,784,677	8,164,797	8,645,498	10,414,278	10,143,715	9,952,826
Sewer utility	2,032,338	3,324,941	112,037	135,462	748,572	816,063	302,715	70,476	105,073	30,558
Storm water utility	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	187,941
Operating grants and contributions	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	10,171,325
Capital grants and contributions										
Total Business-type Activities Program Revenues	\$ (3,632,115)	\$ (3,220,668)	\$ (6,873,330)	\$ (7,906,059)	\$ (7,721,440)	\$ (8,289,544)	\$ (8,504,856)	\$ (6,504,856)	\$ (8,884,736)	\$ (8,959,962)
Net (Expense)/Revenues	\$ 2,822,927	\$ 3,345,888	\$ (50,702)	\$ (211,773)	\$ 201,701	\$ 953,365	\$ 944,041	\$ 2,435,958	\$ 3,201,090	\$ 1,722,504
Governmental activities	\$ (809,188)	\$ 125,220	\$ (6,924,032)	\$ (8,119,832)	\$ (7,519,739)	\$ (6,277,370)	\$ (7,345,503)	\$ (6,088,898)	\$ (5,683,646)	\$ (7,237,458)
Business-type activities	\$ 5,993,789	\$ 6,290,778	\$ 6,568,224	\$ 6,877,747	\$ 7,125,007	\$ 7,423,327	\$ 7,626,208	\$ 7,800,824	\$ 7,788,885	\$ 7,886,596
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	66,085	68,697	63,966	64,869	65,057	63,561	64,935	64,051	62,963	66,039
Other taxes	896,667	654,635	709,137	759,859	910,277	648,201	687,450	588,611	600,848	609,765
Intergovernmental revenues not restricted to specific program	7,377	65,298	13,799	42,930	9,905					
Public gifts and/or grants	273,990	430,526	668,935	460,290	318,013	91,860	180,157	115,957	95,727	130,558
Investment income										
Gain on the sale of assets										
*Rent	284,616	223,192	272,414	316,763	273,164	273,110	358,102	341,295	365,266	110,948
Miscellaneous	311,626	322,393	347,631	378,113	(7,095,290)	520,268	534,304	290,021	611,102	439,996
Transfers	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	544,573
Business-type activities:										
Investment income	331,459	682,344	797,275	487,755	400,594	275,157	165,598	118,000	45,127	69,506
**Rent										211,894
Miscellaneous	(311,626)	(322,393)	(347,631)	(378,113)	3,429	11,416	10,431	95,241	16,331	-
Transfers	19,833	359,951	449,444	109,642	7,439,313	(233,695)	(634,304)	(290,021)	(611,102)	(544,573)
Total Business-type Activities	\$ 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	\$ 9,495,242
Change in Net Position:										
Governmental activities	\$ 4,204,035	\$ 4,834,251	\$ 1,760,976	\$ 992,512	\$ (6,055,307)	\$ 1,789,592	\$ 1,161,612	\$ 695,903	\$ 630,055	\$ 798,513
Business-type activities	2,642,760	3,705,639	386,742	(102,131)	7,641,014	719,670	965,766	2,359,176	2,651,446	1,489,271
Total Primary Government Change in Net Position	\$ 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	\$ 2,257,784

*Rent Revenue was split from Miscellaneous Revenue in the 2014 Financial Statements
**Rent Revenue was split from Charges for Service in the 2014 Financial Statements

Schedule 3

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 114,571	\$ 116,921	\$ 117,164	\$ 95,571	\$ 103,640	\$ 106,847	\$ 97,527	\$ 95,254	\$ 88,380	\$ 139,072
Public safety	556,356	451,740	514,172	427,633	405,067	476,850	395,555	407,853	510,322	751,499
Public works	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	1,774,422
Leisure activities	1,372,412	433,813	688,207	105,340	443,013	221,726	163,430	177,202	185,076	295,626
Conservation and development	145,082	32,576	26,043	24,354	15,105	45,790	16,879	21,330	33,768	47,564
Interest and fiscal charges	-	-	-	-	-	-	21,501	49,621	44,432	36,400
Total Governmental Activities Program Revenues	\$ 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	\$ 3,044,583
Business-type activities:										
Water utility	\$ 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	\$ 4,955,306
Sewer utility	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	3,563,753
Storm water utility*	-	-	-	-	744,687	2,131,593	1,400,033	1,670,027	2,152,704	1,652,266
Total Business-type Activities Program Revenues	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	10,171,325
Total Primary Government Program Revenues	\$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	\$13,215,908

* 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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved for:										
Delinquent personal property taxes	\$ 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	311,626	322,393	357,297	383,768	428,966	461,583	-	-	-	-
Advances	-	-	-	-	1,165,367	565,367	-	-	-	-
Encumbrances	-	-	-	-	-	-	-	-	-	-
Designated	2,162,236	2,197,572	2,439,550	2,900,132	2,472,042	2,562,652	-	-	-	-
Undesignated	987,261	1,313,066	1,448,696	1,045,177	851,399	1,664,458	-	-	-	-
Nonspendable	-	-	-	-	-	-	581,236	508,704	429,748	349,058
Committed	-	-	-	-	-	-	-	1,882,828	1,916,422	1,955,126
Assigned	-	-	-	-	-	-	1,330,342	1,473,359	1,617,349	1,010,018
Unassigned	-	-	-	-	-	-	3,694,787	2,158,018	2,117,772	3,327,238
Total General Fund	\$ 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	\$ 6,641,440
Other Governmental Funds										
Reserved:										
Debt service	\$ 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	-	-	-	-
Unreserved and undesignated:										
Special Revenue Funds	295,186	294,422	257,250	355,840	453,950	538,247	-	-	-	-
Capital Project Funds	1,088,872	1,319,335	2,397,446	3,116,909	1,739,660	4,005,082	-	-	-	-
Nonspendable	-	-	-	-	-	-	100,000	-	-	100,000
Restricted	-	-	-	-	-	-	2,115,425	782,643	767,988	943,854
Committed	-	-	-	-	-	-	789	-	-	-
Assigned	-	-	-	-	-	-	3,010,644	3,979,251	4,040,699	3,493,177
Total Other Governmental Funds	\$ 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	\$ 4,537,031
Total All Governmental Funds	\$ 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	\$ 11,178,471

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 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	\$ 7,922,635
Intergovernmental	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	1,508,062
Licenses and permits	383,085	492,675	424,274	372,615	369,731	466,506	415,408	437,065	448,259	566,422
Fines, forfeitures and penalties	131,415	144,906	168,871	156,233	171,459	169,918	153,921	167,839	201,246	192,507
Public charges for services	689,500	688,495	782,952	913,637	1,025,205	1,062,516	1,034,698	1,044,536	1,051,562	1,194,040
Special assessments	593,778	193,015	403,038	214,560	181,731	158,545	217,605	184,499	183,074	118,036
Investment income	273,990	430,526	658,935	460,290	317,994	91,860	180,157	115,956	95,727	130,559
Miscellaneous	664,588	402,344	354,752	495,894	267,025	273,242	211,587	314,991	214,404	289,577
Total revenues	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	11,921,838
Expenditures by Function										
General government	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	1,513,856
Public safety	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	4,136,607
Health and social services	215,818	193,331	209,609	215,989	204,739	201,690	225,460	-	-	-
Public works	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	2,997,810
Leisure activities	614,153	634,797	671,856	724,683	663,900	799,156	722,184	696,964	774,633	827,241
Community development	167,300	233,642	170,681	185,748	162,133	140,539	117,430	130,607	127,595	135,700
Capital outlay	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	2,843,197
Debt service										
Principal retirement	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	1,853,416
Interest and fiscal charges	465,052	373,171	561,829	555,835	526,710	407,901	379,490	413,739	408,193	329,807
Total expenditures	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	14,637,634
Excess of Revenues	(1,516,094)	(6,302,107)	(422,610)	(824,900)	(1,960,286)	(836,024)	(920,745)	(2,037,524)	(2,326,930)	(2,715,796)
Over/(under) expenditures										
Other Financing Sources (Uses)										
Debt issued	956,050	5,787,949	1,770,000	1,510,000	916,160	2,885,120	100,000	1,645,000	1,650,000	2,265,000
Debt issued-refunding	-	-	-	-	-	-	-	-	1,903,090	-
Payments to refunding agent	-	-	-	-	-	-	-	-	(1,916,071)	-
Premium (discount) on debt	-	-	-	-	-	-	-	-	109,431	71,931
Sale of capital assets	11,200	6,920	44,345	12,985	30,240	37,461	99,460	9,841	74,553	122,785
Transfers in	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	1,377,141
Transfers out	(858,156)	(623,488)	(702,454)	(686,691)	(1,524,962)	(903,331)	(870,282)	(1,241,668)	(956,603)	(832,568)
Total other financing sources (uses)	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	3,004,289
Net change in fund balance	(237,218)	(184,845)	1,739,566	1,076,198	(786,793)	2,606,825	(186,981)	(48,420)	105,175	288,493
Fund Balance January 1	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
Fund Balance December 31	\$ 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	\$ 11,178,471
Debt service as a percentage of noncapital expenditures	24.6%	36.3%	17.9%	17.5%	18.2%	17.8%	19.4%	19.7%	20.4%	18.9%

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 Assessed Value</u>	<u>Equalized Value</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>Commercial & Mfg.</u>	<u>Other</u>				
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%	
2014	2015	893,559,600	344,795,400	153,195,500	2,167,400	61,835,900	1,455,553,800	1,434,553,900	5.48	101.46%	

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^d

Levy Year	Town Direct Rates				Overlapping Rates ^c					
	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
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	4.35	1.35	5.71	8.94	9.85	9.32	1.97	6.43	(1.48)
2013	2014	4.33	1.32	5.65	8.60	10.36	9.40	1.97	6.18	(1.46)
2014	2015	4.29	1.28	5.57	8.55	11.19	9.54	1.12	6.14	(1.42)

Per \$1,000 of Assessed Value

Levy Year	Town Direct Rates				Overlapping Rates ^c					
	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
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)
2014	2015	4.23	1.26	5.48	8.36	11.23	9.45	1.11	6.05	(1.40)

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.

*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, 2014

				2014		2014	
				<u>Assessed Value</u>	<u>Assessed Value</u>	<u>Equalized Value</u>	<u>Equalized Value</u>
1	Kimberly-Clark Corporation			3.08%	\$ 45,067,900	\$	44,374,700
2	Badgers I & II LLC			2.30%	33,621,000		33,111,300
3	Thomas A. Wright			1.55%	22,589,300		22,246,700
4	Touchmark on West Prospect			1.64%	24,006,100		23,642,200
5	SCA			0.95%	13,839,000		13,629,300
6	Clearwater Paper			0.87%	12,649,200		12,457,300
7	Sunshine Real Estate LLC			0.85%	12,454,600		12,265,800
8	Pierce Mfg			0.70%	10,256,700		10,101,200
9	Neuroscience Center LLC			0.70%	10,266,700		10,100,900
10	Warehouse Specialist			0.64%	9,307,000		9,166,700
TOTALS					\$ 194,057,500	\$	191,096,100

Principal Taxpayers
December 31, 2005

				2005		2005	
				<u>Assessed Value</u>	<u>Assessed Value</u>	<u>Equalized Value**</u>	<u>Equalized Value**</u>
1	Kimberly-Clark Corporation			8.40%	\$ 105,468,870	\$	104,197,664
2	SCA			1.71%	21,402,600		21,144,636
3	Touchmark On West			1.51%	18,992,400		18,763,486
4	Hayes MFG			0.43%	5,387,800		5,322,861
5	Valley Gateway			0.81%	10,118,500		9,996,544
6	Cellu Tissue			1.07%	13,379,400		13,218,139
7	Pierce MFG			0.93%	11,662,600		11,522,031
8	Warehouse Specialist			0.79%	9,865,100		9,746,196
9	Clover Meadows Apt			0.59%	7,365,500		7,276,722
10	Outlook Graphics			0.52%	6,500,700		6,422,347
TOTALS					\$ 210,143,470	\$	207,610,626

**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**

Levy Year	Fiscal Year	Total Tax Levy	Total Tax Collections as of 12/31	Total Collections as Percent of Current Levy	Outstanding Delinquent Personal Property Taxes	Outstanding Delinquent Taxes as Percent of Levy	Collections In Subsequent Years	Total Collections to Date Amount	Percentage of Levy
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%	4,738	7,119,561	99.96%
2009	2010	7,424,193	7,417,148	99.91%	7,045	0.09%	1,423	7,418,571	99.92%
2010	2011	7,652,476	7,646,260	99.92%	6,216	0.08%	1,814	7,648,074	99.94%
2011	2012	7,796,787	7,791,393	99.93%	5,394	0.07%	4,145	7,795,537	99.98%
2012	2013	7,821,406	7,818,863	99.97%	2,542	0.03%	548	7,819,411	99.97%
2013	2014	7,876,156	7,871,138	99.94%	5,018	0.06%	1,894	7,873,031	99.96%

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, Wisconsin
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities										Total Primary Government
	General Obligation Debt	General Obligation Bonds for Debt	Utility Revenue Bonds**	Grand Chute Bonds 1991	Grand Chute Bonds 1993	Grand Chute Bonds 2004	Grand Chute Bonds 2009	Grand Chute Bonds 2009	Grand Chute Bonds 2009	Grand Chute Bonds 2009	Grand Chute Bonds 2009		
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	5,710,879	5,710,879	5,710,879	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	5,710,879	5,710,879	5,710,879	5,710,879	41,212,464	
2011*	10,942,481	5,666,959	15,739,995	-	-	239,096	5,710,879	5,710,879	5,710,879	5,710,879	5,710,879	38,299,410	
2012*	10,737,429	6,932,155	14,579,997	-	-	222,008	5,459,582	5,459,582	5,459,582	5,459,582	5,459,582	37,931,171	
2013	10,590,649	9,726,910	13,584,457	-	-	204,450	5,201,581	5,201,581	5,201,581	5,201,581	5,201,581	39,308,048	
2014	11,033,078	10,581,807	12,517,901	-	-	186,409	4,936,694	4,936,694	4,936,694	4,936,694	4,936,694	39,255,889	

*Gross outstanding debt
 **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, Wisconsin
Ratio of Outstanding Debt to Equalized Valuation
Debt per Capital, and Debt to Personal Income
Last Ten Fiscal Years

Calendar Year Ending 12/31	General Outstanding Debt	Percent of Debt to				Debt Per Capita	Personal Income**	Percentage of Personal Income
		Equalized Valuation *	Equalized Valuation	Estimated Population**	Personal Income			
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	20,317,559	1,394,275,300	1.46%	18,582	1,093.40	346,628,260	5.86%	
2014	21,614,885	1,434,553,900	1.51%	18,624	1,160.59	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.

Gross outstanding debt

Schedule 12

Town of Menasha, Wisconsin
Computation of Direct and Overlapping Debt
December 31, 2014

<u>Jurisdiction</u>	<u>Debt</u>	<u>Percent</u>	<u>Estimate Share of</u>
<u>Direct Debt</u>	<u>Outstanding</u>	<u>Applicable to the</u>	<u>Debt & Overlapping Debt</u>
		<u>Town of Menasha</u>	<u>Applicable to the</u>
			<u>Town of Menasha</u>
Town of Menasha	\$ 21,391,825	100.00%	\$ 21,391,825
Overlapping Debt			
Fox Valley Technical College District	92,395,000	4.17%	3,852,872
Winnebago County	41,329,046	12.02%	4,967,751
Menasha Joint School District	41,660,000	31.44%	13,097,904
Neenah Joint School District	250,000	26.21%	65,525
Appleton Area School District	52,845,000	0.09%	47,561
Total Overlapping Debt	\$ 228,479,046		\$ 22,031,612
Total Direct and Overlapping Debt	\$ 249,870,871		\$ 43,423,437

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, Wisconsin
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equalized Value of Real and Personal Property	\$ 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	\$ 1,434,553,900
Debt Limit, Five (5) Percent of Equalized Valuation (Wisconsin Statutory Limitation)	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	71,727,695
Amount of Debt Applicable to Debt Limitation: Total Obligation Bonds and Loans Applicable to Debt Limit at December 31, 2014	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	21,391,825
Less: Assets in Debt Service Fund Available for Payment of General Obligation Debt	(593,452)	(587,603)	(915,433)	(1,070,076)	(990,489)	(911,239)	(972,156)	(1,005,765)	(868,540)	(963,843)
Net Amount of Debt Applicable to Debt Limit	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	20,427,982
Legal Debt Margin	\$ 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	\$ 51,299,713
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	16.81%	20.23%	18.85%	18.15%	21.25%	24.54%	21.77%	24.32%	27.61%	28.48%

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		Investment		Direct Operating		Net Revenue Available for Debt Service		Debt Service Requirements			Coverage Rate
	Revenues	Expenses	Income	Expenses	Debt Service	Principal	Interest	Total	Required Coverage			
2005	5,955,021	3,718,655	331,459	2,567,825	738,622	1,474,822	736,200	1,843,528	1,843,528	1.74		
2006	5,804,205	4,008,557	682,344	2,477,992	938,793	1,665,698	726,905	2,082,123	2,082,123	1.49		
2007	6,039,065	4,309,822	797,282	2,526,525	989,005	1,824,437	835,432	2,280,546	2,280,546	1.38		
2008	6,233,378	4,609,611	487,755	2,111,522	835,000	1,615,754	780,754	2,019,693	2,019,693	1.31		
2009	6,764,677	4,887,722	400,594	2,277,549	915,000	1,629,400	714,400	2,036,750	2,036,750	1.40		
2010	6,664,514	5,407,863	272,927	1,529,578	950,000	1,628,245	678,245	2,035,306	2,035,306	0.94		
2011	7,245,465	5,269,018	163,648	2,140,095	985,000	1,624,795	639,795	2,030,995	2,030,995	1.32		
2012	8,783,104	5,526,814	116,933	3,373,223	1,030,000	1,573,178	543,178	1,966,473	1,966,473	2.14		
2013	8,562,907	5,154,558	39,940	3,448,289	1,070,000	1,577,636	507,636	1,972,045	1,972,045	2.19		
2014	8,370,660	5,491,256	61,237	2,940,641	1,130,000	1,559,236	429,236	1,949,045	1,949,045	1.89		

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, 2014

<u>Name</u>	<u>Nature of Business</u>	<u>Thousands of Gallons (000)</u>	<u>Water Billing</u>
1 Cleanwater Paper Corp	Paper Products Manufacturing	109,495	464,159
2 Kimberly-Clark (Feminine Care)	Feminine Care Products	27,717	119,056
3 SCA Tissue North America	Paper Products Manufacturing	17,862	78,176
4 Pierce Manufacturing	Fire & Utility Truck Bodies	15,415	71,113
5 Kimberly Clark (W. Research)	Paper Products Manufacturing	8,647	39,901
6 Meadow Development	Mobile Home Park	6,050	27,621
7 Chapman Ave	Plastic Mfg	5,960	32,506
8 Great Northern Container	Corrugated Container Manufacturer	5,076	23,019
9 Fox Valley Home Estate	Mobile Home Park	5,033	23,330
10 UR Wash N Stuff	Laundromat	4,151	19,116
Total of Ten Largest Retail Users		205,406	\$ 897,996
Total Water Utility		691,637	\$ 4,760,258
Ten Largest as Percent of Total Water Utility		30%	19%

HISTORICAL WATER USAGE
 (thousands of gallons) |
Last Ten Fiscal Years

<u>Calendar Year</u>	<u>Gallons Billed</u>	<u>Gallons Pumped</u>	<u>Calendar Year</u>	<u>Average Daily Demand</u>	<u>Maximum Daily Demand</u>	<u>Maximum Rated System Capacity</u>
2005	878,165	1,098,974	2005	3,011	4,750	3.90
2006	825,168	1,083,813	2006	2,969	4,585	3.90
2007	909,841	1,071,943	2007	2,937	4,584	3.90
2008	761,821	978,373	2008	2,680	3,828	3.90
2009	782,398	989,149	2009	2,710	3,767	3.90
2010	718,535	988,817	2010	2,709	3,518	7.40
2011	754,451	984,133	2011	2,694	3,599	6.90
2012	754,589	957,009	2012	2,621	3,993	6.90
2013	690,322	894,747	2013	2,451	3,590	6.90
2014	691,637	886,986	2014	2,430	3,590	6.90

Source: Town of Menasha Water Utility billing records.

Schedule 16

Town of Menasha, Wisconsin
Demographic Statistics
Last Nine 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	6.3
2013	18,582	346,628,260	55,000	6.2
2014	18,624	N/A	N/A	5.3

* 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, 2014

	<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	1.50%
2	Faith Technologies	Electrical Contractors	1,700	0.79%
3	Pierce Manufacturing	Fire and Utility Truck Manufacturer	1,500	0.70%
4	SCA Tissue	Paper Products Manufacturer	1,000	0.47%
5	Miron Construction	Construction	1,000	0.47%
6	RR Donnelley (formerly Banta)	Printing, packaging and mailing	1,000	0.47%
7	Clearwater Paper	Paper Products Manufacturer	500	0.23%
8	Outlook Graphics	Printing, Mailing & Converting	480	0.22%
9	Warehouse Specialists Inc	General Warehouse/Storage	350	0.16%
10	Sonoco Products	Spiral Paper Core Mfg	160	0.12%

* Source: Robert W Baird Debt Borrowing

Principal Industrial and Commercial Employers
December 31, 2005

	<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	5,240	1.72%
2	Pierce Manufacturing	Fire & Utility vehicle manufacturer	1,070	0.35%
3	SCA	Paper Napkins, Table Covers	700	0.23%
4	Outlook Graphics	Commercial Printing	615	0.20%
5	Pitney Bowes	Mailing machine rental/leases	545	0.18%
6	Banta Corporation	Printer of books and periodicals	482	0.16%
7	Miron Construction	Construction	388	0.13%
8	Cellu Tissue	Paper Products Manufacturer	340	0.11%
9	GNC	Corrugated Container Manufacturer	198	0.07%
10	Hayes Mfg	Paper Core Manufacturer	165	0.05%

* Source: Quarles & Brady Debt Borrowing

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

Schedule 18

Town of Menasha, Wisconsin
Schedule of Insurance in Force
6/1/2014-6/1/2015

<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	\$ 58,856
Public Employee Theft	Aegis Corporation	\$ 500,000 \$2500 ded	\$ 2,327
Money & Securities, Inside		\$ 50,000 \$500 ded	
Money & Securities, Outside premises		\$ 50,000 \$500 ded	
Contractors Equipment	Selective Insurance	\$ 2,035,856 \$1,000 ded	\$ 9,603
Buildings, Personal Property and Property in the Open	Selective Insurance	\$ 28,768,367 \$1,000 ded	\$ 31,050
Auto (Comprehensive & Collision)	Selective Insurance	\$ 5,201,838 \$1,000 ded	\$ 16,846
Boiler and Machinery	Selective Insurance	\$ 28,768,367 \$1,000 ded	included above
Workers Compensation	Aegis Corporation Community Insurance Corporation Benchmark Insurance Company	\$ 100,000 Ea. Accident \$ 500,000 Policy. Limit \$ 100,000 Ea. Employee	\$ 141,336
Storage Tank Third Party Liability	* Crum & Forster Specialty Insurance	\$ 1,000,000 \$5,000 ded	\$ 2,558
Flood and Earthquake	Selective Insurance	\$ 10,000,000 \$25,000 ded	\$ 3,774

* This is for a 2 year premium

Schedule 19

Town of Menasha, Wisconsin
Miscellaneous Statistics
December 31, 2014

Organized: April 3, 1855
 Form of Government: Board of Supervisors

	<u>2014</u>	<u>2014</u>
Population	18,624	
Area		
Square Miles	12.5	81
Acres - Land	8,167	63
Acres - Water	379	103
Altitude	810-830 ft.	
Miles of Streets		
Local Streets	73.54	2
Arterial/Collector Highways	24.3	53
		3
		50
Number of Street Lights	1,143	
Utility District		
Average Number of Customers	8,308	
Avg Daily Water Consumption	2,430,000	260.47
Miles of Water Mains	133.75	16
Miles of Sanitary Mains	118.71	19.8
Water Towers	3	
Lift Stations	8	
Water Treatment Plants	3	
Reservoirs	3	
		\$ 33,056,095

Source: Town departments

Schedule 20

Town of Menasha, Wisconsin
Operating Indicators by Function/Program

Function/Program	2014	Function/Program	2014
General Government		Refuse Collection	
Building Permits issued	840	Refuse collected (tons per day)	19.79
Building Inspections conducted	1,055	Recyclables collected (tons per day)	13.33
		Yard Waste collected (tons per day)	6.9
Police		Parks and Recreation	
Parking Violations	885	Park rentals	193
Traffic Violations	5,454	Community Center rentals	279
Fire		Water	
Emergency responses (non EMS)	360	New connections	36
Inspections:		Water Main breaks	37
Routine visits	986	Average daily consumption (thousand/gallons)	2,430
Tank program	19	Peak daily consumption (thousand/gallons)	3,590
Certificate of Occupancies	41		
Compliance visits	1	Sewer (millions of gallons)	
Special visits	7	Average daily sewage treatment (GCMW)	2.73
Nuisance Abatement Taskforce	2	Average daily sewage treatment (NMSC)	2.07
EMS Calls	619		

Source: Town departments

Assumes 365 days per year

Schedule 21

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

Function/Program	2014	2014
Police		
Stations	1	97.84
Patrol Units	12	1,143
		65
Fire		
Stations	2	133.75
Parks and Recreation		
Acreage	260.47	1,385
Playgrounds	13	3,900
Baseball/Softball diamonds	7	
Soccer/football fields	5	
Community Centers	1	
		118.71
Other Public Works		
Streets (miles)		6.21
Streetlights		13.1
Traffic Signals		12.8
Water		
Water mains (miles)		
Fire Hydrants		
Storage capacity (thousand/gallons)		
Sewer		
Sanitary sewers (miles)		
Sewage lift station force mains (miles)		
Treatment capacity (GCMW) millions/gallons		
Treatment capacity (NIMWS) millions/gallons		

Source: Town departments

Schedule 22

Town of Menasha, Wisconsin
Full-Time Equivalent Town Government Employees By Function/Program
Last Eight in Fiscal Years*

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014
General Government								
Administration	2,000	2,000	2,000	2,000	2,000	2,250	2,250	2,250
Assessing	2,000	2,000	2,000	1,000	1,000	1,288	1,288	1,288
Clerk	1,538	1,788	1,750	1,750	1,750	1,654	1,654	1,673
Community Development	4,287	4,433	4,337	4,337	4,500	4,337	4,337	4,192
Finance	7,003	7,029	6,603	6,603	6,603	6,603	6,603	6,672
Information Technology	1,000	1,500	1,500	1,500	1,500	2,000	2,000	2,000
Municipal Court	1,000	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	26,000
Civilians	8,107	8,107	8,078	7,144	7,144	6,894	6,894	6,894
Fire								
Officers	3,000	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	1,050
Firefighters	8,547	8,749	8,749	8,470	8,447	9,084	9,084	9,675
Public Works								
	9,864	9,864	9,864	10,872	10,872	10,872	10,872	10,872
Parks and Recreation								
Water	8,794	8,978	8,978	8,978	8,978	8,978	9,224	9,225
Water								
	10,288	10,288	10,288	10,288	10,000	8,788	8,788	8,788
Wastewater								
	4,288	4,288	4,288	4,288	4,288	4,788	4,788	4,788
GRAND TOTAL	99,196	100,3099	99,603	98,290	98,142	98,596	98,842	99,367

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.