



**Town of Menasha,  
Wisconsin**

**Comprehensive  
Annual  
Financial  
Report**

*as of and for the year ended*  
**December 31, 2015**

**Town of Menasha, Wisconsin**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2015**

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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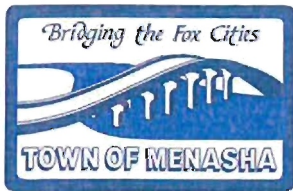
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## INTRODUCTORY SECTION



# 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](http://www.town-menasha.com)

April 4, 2016

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

The 2015 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 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), Great Northern Corporation, Pitney Bowes, Aramark, and RR Donnelly. Other major employers include: Clearwater Paper, Hayes Manufacturing, Miron Construction Company Inc., 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 18,665. In the CAFR Statistical Section Schedule 16 of this report, the population growth in the Town of Menasha, over the last 10 years can be viewed.

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 2015-16 was estimated at 3,774 students. Neenah Joint School District facilities include one high school, two middle schools and ten elementary schools. Student enrollment for 2014-15 was 6,246. In addition, St. Mary's Catholic School, a parochial middle/high school, provides comprehensive educational programs. St. Mary's Catholic School recently built their middle school and students started attending for the 2015-16 school year.

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 2015 tax rate was \$5.52 per \$1,000 of equalized value or \$5.55 per \$1,000 of assessed value. The equalized tax value on January 1, 2015 increased 2.41%; whereas, the assessed value increased \$5,631,900 or 0.39%, from \$1,455,553,800 to \$1,461,185,700. For 2015, the assessment ratio was 99.11% compared to 101.54% in 2014, 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 0.09% lower than the average property sales in 2015 compared to 1.54% higher in 2014. 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**

The Town's assessment ratio was 99.12% in 2015, compared to 101.54% in 2014 and 105.80% in 2013. The overall assessment ratio is only slightly less than 100%. A 100% assessment ratio

would mean that the average assessed value of the Town is the same as the average fair market value of the state. Even with a decline in the overall assessment ratio, this is a good indicator of an improving real estate market when compared to a relatively constant assessed valuation.

Another increase in the Town of Menasha's economic condition can be seen in the increase of the building permit activity. Fiscal year 2015 showed the most building property value in over 10 years, and generated 22% more building value than last year with \$40 million compared to \$33 million in 2014. One major 2015 project for 32% or \$13 million of value is for Thedacare. Thedacare is a community health system consisting of five hospitals, numerous clinics, healthcare providers, doctors and related services. They are building a new three-story, 75,560 square foot, physician clinic. Other major projects for approximately 15% of the permit value include \$4 million in office additions/alterations to two different businesses and \$2 million for additions and alterations to an assisted living facility.

In addition to the above building activity, the Town of Menasha created its first Tax Incremental District (TID). In 2014, the State of Wisconsin expanded the authority for certain towns to create Tax Incremental Districts (TIDs), similar to villages or cities, if certain requirements are met. Due to the very large size of the Town of Menasha, the Town meets all of these requirements. TIDs are an economic development tool for communities, which allow 100% of the tax incremental value from the development to pay for projects within the TID. Since a TID uses the taxes that normally would go to all taxing authorities, a five member Joint Review Board (JRB) is created, which has a member from all tax authorities along with one citizen member. The JRB reviews the project plan, which includes the development plan, boundaries, economic feasibility, and financing plan for the district. On June 30, 2015, the JRB approved TID #1 for the Town of Menasha. This TID is for a \$25 million corporate headquarters for Community First Credit Union, which will be built by the end of 2016. This development includes an area-wide stormwater detention pond, in addition to the normal infrastructure needs.

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 2015 average annual unemployment rate for the Oshkosh-Neenah Metropolitan Statistical Area was 4.3% compared to 5.3% in 2014, and

6.4% in 2013. Additionally, the annual 2015 local unemployment rate of 4.3% compared to 5.3% nationally and 4.6% 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 2006 through 2015, the General Fund Balance has increased \$3,393,268, 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 2015, the Town of Menasha had another amazing year with a \$642,165 increase in the general fund balance, in addition to the \$560,149 increase in 2014. The 2015 unassigned general fund balance is at 41% 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 2016 in the amount of \$342,124. 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, 2015 there was \$2,704,291 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 27 plots, all of which are rented, and two teaching gardens. There is currently a waiting list for garden plots. 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 2016 to further the Committee's goal of promoting sustainable food production and healthy living. The committee is also looking into establishing a second community garden on the east side of the town. Possible locations are currently being assessed. Also in 2016, the committee is investigating the possibility of amending the Zoning Ordinance to allow beekeeping in the Town. Honeybees are critical pollinators for flowers, fruits and vegetables. Managed colonies of bees help to increase yields

and quality of a large variety of plants commonly found in backyard gardens, parks and natural areas.

### **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 2015, the Utility purchased 18.41% of total pumped water from the City of Menasha compared to 17.1% in 2014. 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 2015, the Town had 715 million gallons of water sold, compared to 691 million in 2014, 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 2015. 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, 2015, the Town's gross general obligation debt of \$20,539,519 was well below the legal limit of \$73,456,695 (27.96%), and debt per capita equaled \$1,100. 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.

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 2015 the utility actually maintained earnings at 1.79 times the annual debt service of the revenue bonds. A couple of years ago, the Utility District increased water and sewer rates and has only recently borrowed revenue bond debt for new projects, which has benefited the debt coverage. The last borrowing for new funds occurred in 2010. From 2010 through 2014, 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.

### **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, 2014. 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 2015 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 2015 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, 2014**

Executive Director/CEO



**TOWN OF MENASHA  
DIRECTORY OF OFFICIALS  
At December 31, 2015**

**TOWN CHAIRPERSON**

Dale Youngquist

**TOWN BOARD OF SUPERVISORS**

Supervisor 1: Michael Van Dyke  
Supervisor 2: Barbara Hanson  
Supervisor 3: Gregory Ziegler  
Supervisor 4: Dale McNamee

**OFFICERS**

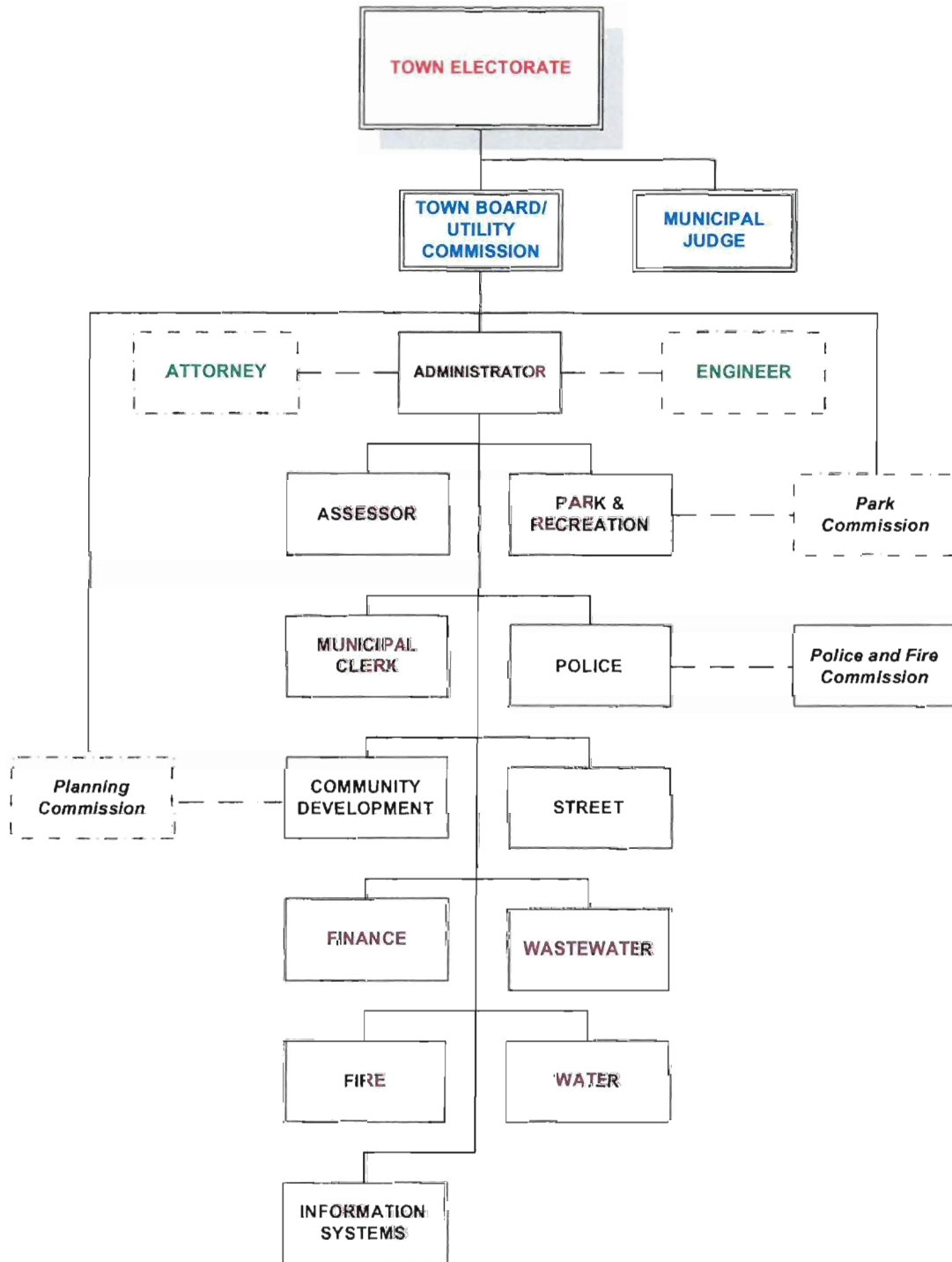
Town Administrator	Jeffrey Sturgell
Town Clerk	Karen Backman
Finance Director	Myra Piergrossi
Director of Community Development	George Dearborn
Fire Chief	Keith Kiesow
Network Administrator	Tim Plagenz
Director of Parks and Recreation	Michael Kading
Police Chief	Rodney McCants
Street Superintendent	Randy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

**PLANNING COMMISSION**

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

**PARK COMMISSION**

Chair	Paul Vandenberg
Commissioner	Michael Lynch
Commissioner	Randall Meyer
Commissioner	Steven Otto
Commissioner	Clarence Peterson
Commissioner	Kelly Sweeney
Commissioner	Jim Wise



## 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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Town Board  
Town of Menasha, Wisconsin

### ***Changes in Accounting Principles***

As discussed in Note 1, the Town adopted the provisions of Governmental Accounting Standards Board Statements No. 68 *Accounting and Financial Reporting for Pensions* and No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* as of and for the year ended December 31, 2015. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules – general fund and schedules of proportionate share of the net pension liability (asset) and employer contributions 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 amounts, 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 amounts, 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 amounts 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 4, 2016

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# TOWN OF MENASHA, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS

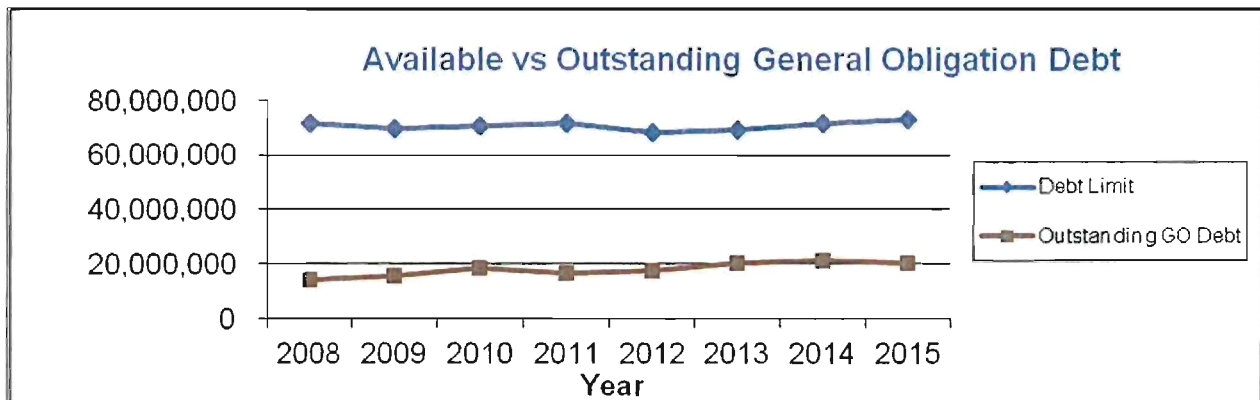
UNAUDITED

As of and For Year Ended December 31, 2015

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, 2015. 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 2015 the coverage requirement was \$1,967,396 and the utility generated \$855,338 above the requirement or 1.79 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.
- The Town of Menasha's debt capacity is \$ 73,456,695, which is 5% of the Town's equalized value of taxable property. The total outstanding general obligation debt at year end was \$20,539,519, or 28% of the possible debt capacity, and is only 1.4% of the Town's equalized value. The Town's debt equates to approximately \$1,100 per capita. In 2014, the general obligation debt was at \$ 21,391,825 or \$1,150 per capita.



- 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 2015.
- In February 2015, the Town of Menasha refinanced the Water and Sewer Utility's 2005A and 2005B Revenue Bonds. With this refinance, the Utility saved \$488,165 in present value savings over the remaining life of the debt.



## TOWN OF MENASHA, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

#### UNAUDITED

As of and For Year Ended December 31, 2015

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#### **FINANCIAL HIGHLIGHTS (cont.)**

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- To control our overall annual debt costs, over the past several of years, the Town of Menasha has decreased the annual amount of borrowing for the water and sewer utility. The Town decided not to borrow for new water and sewer utility capital projects in fiscal years 2012, 2013 and 2014. During these years, the utility used depreciation funds on hand for capital infrastructure replacement needs. In 2015, the utility issued new debt for its capital improvement plan. In 2016, borrowing is not anticipated for water and sewer projects.
- 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, 2015, the balance of the General Fund monies advanced to the Stormwater Utility totals \$283,675. The Stormwater Utility is shown as a proprietary fund in the 2015 financial statements.
- The total assets of the Town of Menasha exceeded its liabilities at the close of the most current fiscal year by \$121 million, which is an increase of 5%. Of this amount, \$20 million may be used to meet the government's obligations to citizens and creditors.
- As of the close of the current fiscal year, the Town of Menasha's governmental funds reported combined ending fund balances of \$12,357,386, an increase of \$1,178,915 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, \$3,771,790, is unassigned and available for use within the Town's designations and policies. The remaining total governmental fund balance of \$8,585,596 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 \$3,782,930 for the general fund. This is approximately 42% of the 2015 total general fund expenditures and other financing uses. If compared to \$3,327,238 in 2014, this is a \$455,692 increase. Since the Town budgeted to use \$315,870 in fund balance in 2015, 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.

**TOWN OF MENASHA, WISCONSIN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
UNAUDITED  
As of and For Year Ended December 31, 2015

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**FINANCIAL HIGHLIGHTS (cont.)**

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- 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.
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**OVERVIEW OF THE FINANCIAL STATEMENTS**

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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.

## TOWN OF MENASHA, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

#### UNAUDITED

As of and For Year Ended December 31, 2015

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### **OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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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 41 to 44 of this report.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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 nine 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, Tax Incremental District (TID) #1, 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 45 to 50 of this report.

## TOWN OF MENASHA, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

#### UNAUDITED

As of and For Year Ended December 31, 2015

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### **OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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

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

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

The basic proprietary fund financial statements can be found on pages 51 to 55 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 56 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 57 to 92 of this report.

*Other Information* – In addition to the basic financial statements and accompanying notes, *Required Supplementary Information* presents the schedules of proportionate share of the net pension asset and employer contributions – Wisconsin Retirement System and detailed budgetary comparison schedules for the General Fund to demonstrate compliance with the budget. These schedules can be found on pages 93 to 97 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 98 to 113 of this report.

**TOWN OF MENASHA, WISCONSIN**

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2015

**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.

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

	Governmental Activities		Business-type Activities		Totals		Total Percentage Change
	2014	2015	2014	2015	2014	2015	2014-2015
Current and Other Assets	22.97	23.51	22.68	22.69	45.65	46.20	1.20%
Capital Assets	59.03	59.01	63.41	64.50	122.44	123.51	0.87%
Deferred Outflows	0.34	0.90	0.10	0.23	0.44	1.13	156.82%
<b>Total Assets and Deferred Outflows</b>	<b>82.34</b>	<b>83.42</b>	<b>86.19</b>	<b>87.42</b>	<b>168.53</b>	<b>170.84</b>	<b>1.37%</b>
Current Liabilities	1.14	0.82	1.13	0.79	2.27	1.61	(29.07%)
Non-Current Liabilities	11.76	11.04	28.57	28.27	40.33	39.31	(2.53%)
Deferred Inflows	8.93	9.13	0.00	0.00	8.93	9.13	2.24%
<b>Total Liabilities and Deferred Inflows</b>	<b>21.83</b>	<b>20.99</b>	<b>29.70</b>	<b>29.06</b>	<b>51.53</b>	<b>50.05</b>	<b>(2.87%)</b>
Net Investment in Capital Assets	48.57	49.14	45.04	45.57	93.61	94.71	1.18%
Restricted	2.08	2.09	4.30	3.81	6.38	5.90	(7.52%)
Unrestricted	9.86	11.15	7.15	8.98	17.01	20.13	18.34%
<b>Total Net Position</b>	<b>60.51</b>	<b>62.38</b>	<b>56.49</b>	<b>58.36</b>	<b>117.00</b>	<b>120.74</b>	<b>3.20%</b>

(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 \$120,737,794 as of December 31, 2015.

## TOWN OF MENASHA, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

#### UNAUDITED

As of and For Year Ended December 31, 2015

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

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Please note that the Town of Menasha implemented Governmental Accounting Standard Board (GASB) Statements No. 68 *Accounting and Financial Reporting for Pensions* and No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No 68* in 2015. With this implementation, the Town of Menasha now has Deferred Outflows Related to Pension, which was not on the 2014 financial statements. This Governmental Accounting Standard Board change is the reason for the significant change in deferred outflows shown on the prior page.

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

An additional portion of the Town's net position, approximately 4.9%, represents resources that are subject to external restrictions on how the funds may be used.

The remaining balance of unrestricted net position, \$20,030,204, 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, 2015. Governmental activities increased the Town of Menasha's net position by approximately \$1.9 million. Business-type activities increased the Town's net position by approximately \$1.9 million. On the 2014 financial statements, there was a total increase of approximately \$2.3 million in net position from 2013. This represented a \$1.1 million increase in governmental net position and \$0.4 million increase in business-type activities.

**TOWN OF MENASHA, WISCONSIN**

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2015

**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
	2014	2015	2014	2015	2014	2015	2014-2015
<b>Revenues:</b>							
<u>Program Revenues:</u>							
Charges for services	1.98	1.87	9.95	10.18	11.93	12.05	1.01%
Operating grants and contributions	0.94	0.95	0.03	0.03	0.97	0.98	1.03%
Capital grants and contributions	0.13	1.11	0.19	1.49	0.32	2.60	712.50%
<u>General Revenues:</u>							
Property taxes	7.86	7.98			7.86	7.98	1.53%
Other taxes	0.06	0.06			0.06	0.06	0.00%
Intergovernmental	0.61	0.62			0.61	0.62	1.64%
Investment income	0.13	0.10	0.07	0.06	0.20	0.16	(20.00%)
Rent*	0.11	0.00	0.21	0.00	0.32	0.00	(100.00%)
Other	0.44	0.36	0.00	0.00	0.44	0.36	(18.18%)
<b>Total Revenues</b>	<b>12.26</b>	<b>13.05</b>	<b>10.45</b>	<b>11.76</b>	<b>22.71</b>	<b>24.81</b>	<b>9.25%</b>
<b>Expenses:</b>							
General government	1.69	1.70			1.69	1.70	0.59%
Public safety	4.55	4.64			4.55	4.64	1.98%
Public works	4.32	3.92			4.32	3.92	(9.26%)
Leisure activities	1.03	1.09			1.03	1.09	5.83%
Conservation and development	0.13	0.14			0.13	0.14	7.69%
Interest and fiscal charges	0.28	0.23			0.28	0.23	(17.86%)
Water utility			4.10	4.46	4.10	4.46	8.78%
Sewer utility			3.27	3.30	3.27	3.30	0.92%
Stormwater utility			1.08	1.60	1.08	1.60	48.15%
<b>Total Expenses</b>	<b>12.00</b>	<b>11.72</b>	<b>8.45</b>	<b>9.36</b>	<b>20.45</b>	<b>21.08</b>	<b>3.08%</b>
Excess Revenues over Expenses before Transfers	0.26	1.33	2.00	2.40	2.26	3.73	65.04%
Transfers	0.54	0.54	(0.54)	(0.54)	0.00	0.00	
Change in Net Position	0.80	1.87	1.46	1.86	2.26	3.73	65.04%
Beginning Net Position**	59.71	60.51	55.03	56.49	114.74	117.00	1.97%
Ending Net Position	60.51	62.38	56.49	58.35	117.00	120.73	3.19%

(Totals may vary due to rounding.)

\*Rent Revenue has be allocated to charges for service

\*\*2014 balances were adjusted due to GASB 68 implementation

## TOWN OF MENASHA, WISCONSIN

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

As of and For Year Ended December 31, 2015

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

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On the prior page, for both governmental and business-type activities, capital grants and contribution revenue increased 712%. This increase results from one Town of Menasha capital project. The E Shady Lane capital project received approximately \$0.9 million in capital contributions. In reviewing expenses, the stormwater utility's expenses increased 48%. This increase is due to one-time maintenance expenses for specific projects. The majority of these maintenance expenses were for the Red Oak Ravine project, which is described in the Proprietary Funds, Stormwater Utility section of this report. Overall revenues increased 9.25% and overall expenses increased 3.08%, resulting in a combined 3.19% or \$3.73 million increase to net position.

In regard to the governmental activities, which are shown on the prior page table and following page pie chart, the largest expense for 2015 is the public safety program at 40% or \$4,643,282 of the total expenses, and includes police, fire, building inspections, and emergency government.

The second largest expense is public works. This program is 33% or \$3,919,743 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.

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

In 2014, these two categories were also the top expense categories for the Town of Menasha, with \$4,548,719 spent on public safety and \$4,328,646 spent on public works.



**TOWN OF MENASHA, WISCONSIN**

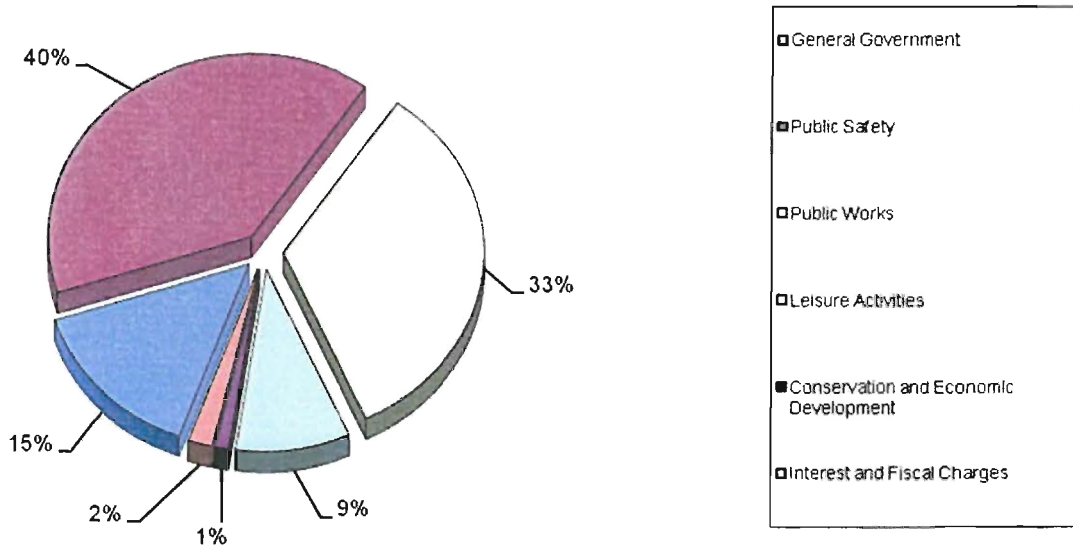
**MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)**

**UNAUDITED**

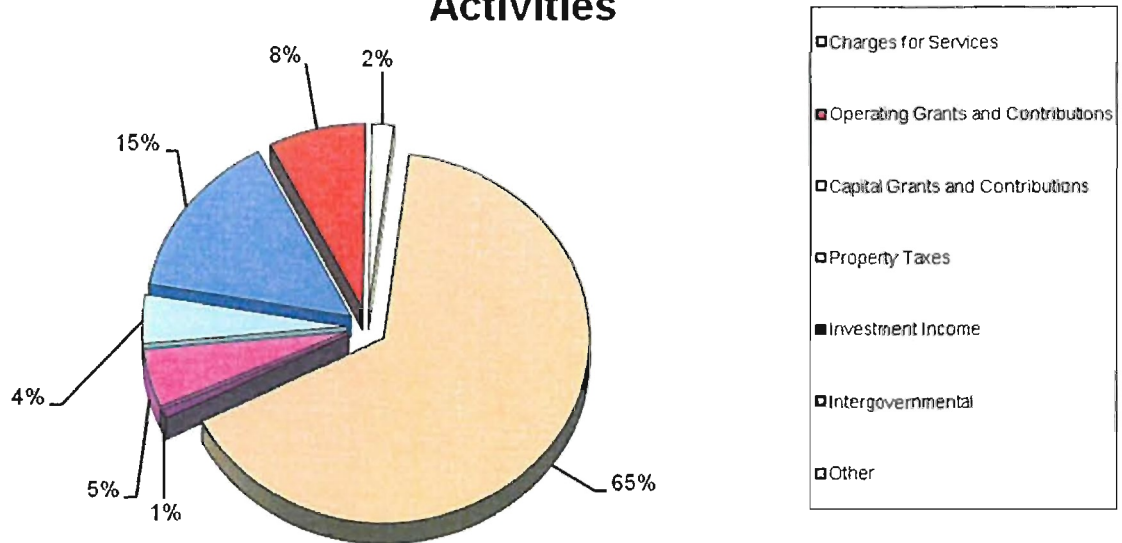
**As of and For Year Ended December 31, 2015**

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

**2015 Expenses by Activity - Governmental Activities**



**2015 Revenue by Source - Governmental Activities**



## TOWN OF MENASHA, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

#### UNAUDITED

As of and For Year Ended December 31, 2015

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### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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#### **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 \$12,357,386, an increase of \$1,178,915 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, \$3,771,790, is unassigned and available for use within the Town's designations and policies. The remaining total governmental fund balance of \$8,585,596 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 (\$5,294), 2) prepaid insurance (\$74,232), and 3) advances to the Stormwater Utility and TID # 1 (\$294,815). Restricted fund balance includes funds that are limited in use by external limitations. As of December 31, 2015, the restricted fund balance totaled \$839,515. 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 \$1,959,993, 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, 2015

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

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

Assigned fund balance is the Town Board designations resulting from intended use, which includes items such as debt retirement (\$871,185), capital projects (\$669,930), and capital equipment replacement (\$2,704,291). 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 (\$726,217). 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, 2015, there is \$88,000 assigned for this purpose. The Town of Menasha has contracted to complete the reassessment in 2017, and these funds will help offset the total cost of this project. Another item in the assigned fund balance is an allocation of funds for specific future purchases (\$352,124). The majority of these future purchases have been budgeted to be spent in 2016.

#### General Fund

This fund is the main governmental fund; whereas, all operational activities occur here. Of the \$23,027,083 in total governmental assets, the general fund controls 63% or \$14,590,283. Additionally, this fund generated \$8,827,526 in revenues and expended \$8,498,720, compared to \$8,721,038 and \$8,276,082 respectively in 2014.

The General Fund expenditures and other financing uses were significantly less than budgeted, by \$725,721. Of this savings, \$55,662 of these funds were for items that were not purchased in 2014, but have been reallocated for purchase in future years. Additionally, \$286,462 of these funds have been assigned for 2016 capital assets and one-time purchases.

These significant expenditure savings were due to substantial general fund operational savings, especially since the 2015 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 2015 expenditures, and in fact still incurred an increase to the general fund balance. Approximately 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, 2015

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

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##### **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 94 to 96 of this report.

###### *TID#1*

In 2014, the State of Wisconsin expanded the authority for certain towns to create Tax Incremental Districts (TIDs), similar to villages or cities, if certain requirements are met. Due to the very large size of the Town of Menasha, the Town meets all of these requirements. TIDs are an economic development tool for communities, which allow 100% of the tax incremental value from the development to pay for projects within the TID. Since a TID uses the taxes that normally would go to all taxing authorities, a five member Joint Review Board (JRB) is created, which has a member from all tax authorities along with one citizen member. The JRB reviews the project plan, which includes the development plan, boundaries, economic feasibility, and financing plan for the district. On June 30, 2015, the JRB approved TID #1 for the Town of Menasha. This TID is for a \$25 million corporate headquarters for Community First Credit Union, which will be built by the end of 2016. This development includes an area-wide stormwater detention pond, in addition to the normal infrastructure needs. Since tax revenues will not start to be generated until 2017, this special revenue fund has a deficit balance at the end of 2015, in the amount of \$11,140. These funds have been advanced from the General Fund and will be repaid as the Town of Menasha receives the tax payment from development's tax increment.

###### *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 \$7,342 to \$971,185; of this amount, \$100,000 is considered restricted for a long-term loan receivable. The debt service assets available for future debt service payments increased \$84,048 to \$3,253,164 and the liabilities and deferred inflows increased \$76,706 to \$2,281,979.

## TOWN OF MENASHA, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2015

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

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

##### Capital Projects Fund

All government borrowed funds for capital purchases are receipted and expended in this fund. In 2015, the fund balance was \$1,011,812, which is an increase of \$212,799 from 2014; 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; however, a few of the projects were unable to be completed prior to year-end. Additionally in the past, various projects have come in under projections for a savings from the budget and sometimes borrowed funds. Assigned fund balance from prior capital project savings or grant reimbursements will be reallocated to future project costs. For specific project information that occurred in the current year, please see the Capital Asset section of this report.

##### Equipment Replacement Fund

Over ten years ago, the Town of Menasha created an equipment replacement fund for large expenditures, such as vehicles. This account is funded annually to have a consistent budget without fluctuations due to equipment purchases. The intention of this fund is to alleviate the need to borrow for the replacement of current equipment and vehicles, by using cash-on-hand. This will save the Town money by eliminating the need to borrow and incur debt interest costs, along with the ability to have interest earnings on these funds. Each year the Town of Menasha Board of Supervisors allocates monies to fund this program. In 2015, this fund had a fund balance of \$2,704,291 or 22% of the total governmental fund balance. This compares to \$2,362,688 or 21% in 2014, \$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.

**TOWN OF MENASHA, WISCONSIN**

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
UNAUDITED  
As of and For Year Ended December 31, 2015

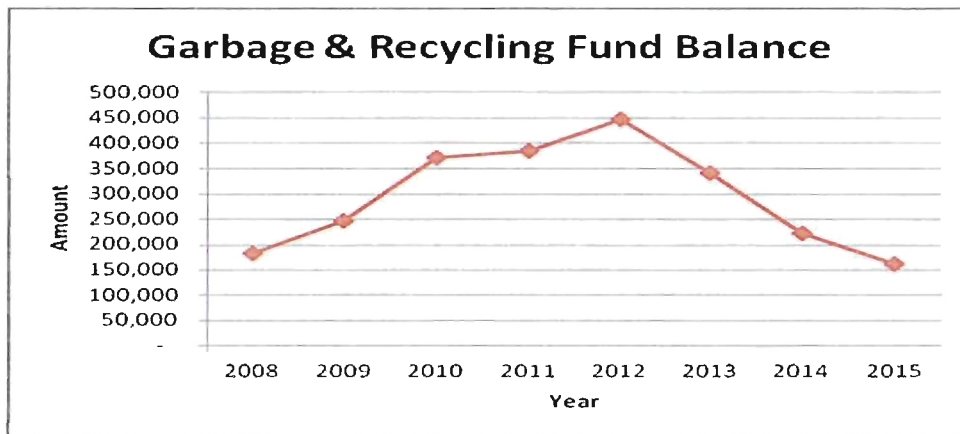
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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)**

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**Governmental Funds (cont.)**

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 sixth debt service payment occurred in 2015.



Over the last several years, the Town of Menasha has been using fund balance to offset the garbage and recycling program; therefore, for fiscal year 2015, the Town of Menasha Board of Supervisors increased the annual garbage and recycling fee \$10.16 per year. The Town has also approved an additional \$10 rate increase for 2016 operations. The Town's goal is to increase the rate over time to the level needed for operating this activity. The Town of Menasha's 2015 rate was \$155 per unit. Prior to the 2015 rate increase, rates had not been changed since 2008.

For fiscal year 2015, the Town had a positive revenue variance from budget in the amount of \$27,024, expenditures were under budget in the amount of \$10,263, and transfers out were \$223 under budget. Additionally, \$96,404 of fund balance was budgeted to offset the 2015 budget. Overall, this resulted in a fund balance decrease of \$58,894 to this fund, which was more favorable than budgeted by \$37,510, since \$14,207 was budgeted to be set aside for future equipment needs.

**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, 2015

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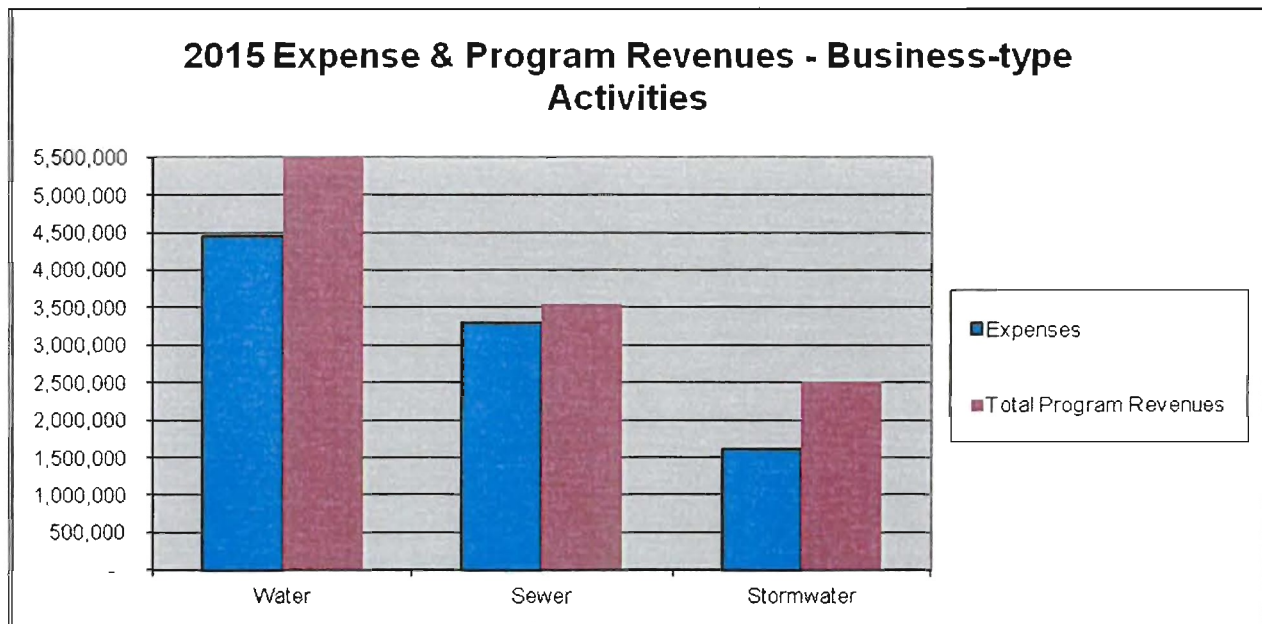
**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)**

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**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 2015 the coverage requirement was \$1,967,396 and the utility generated \$855,338 above the requirement or 1.79 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. A couple of years ago, the Utility District increased rates and has only recently borrowed revenue bond debt for new projects, 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, 2015

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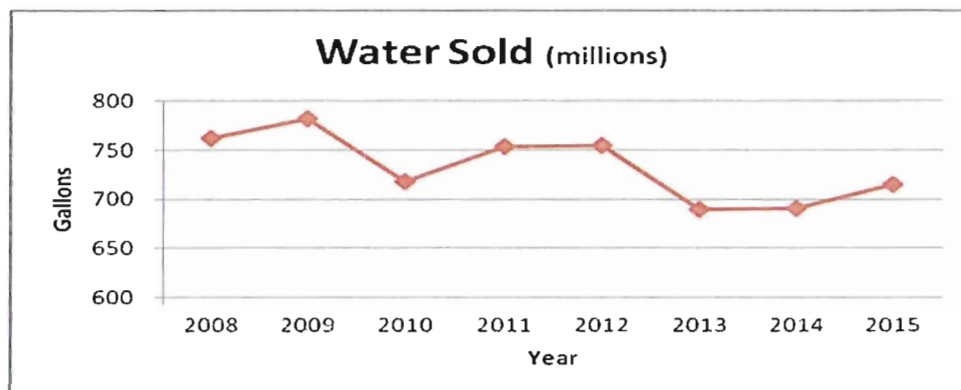
### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

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#### Proprietary Funds (cont.)

##### Water Utility

In 2015, developers contributed \$163,386 of the water utility infrastructure to accommodate the growth that occurred in the Town of Menasha Utility District. This is compared to \$35,096 in 2014, \$0 in 2013, \$4,287 in 2012, \$152,787 in 2011, \$106,157 in 2010, and \$2,827 in 2009. Water infrastructure contributions had a significant increase in 2015 after very low amounts in the prior two years. The Town of Menasha had a wonderful year with three (3) developer subdivisions.



In 2015, the Town had 715 million gallons of water sold as compared to 691 million in 2014 and 690 million in 2013. In 2014 and 2013, the Town of Menasha had very mild summers, with lower than normal temperatures, which resulted in less water consumption than in prior years. In 2015, water consumption rose back to the 2010 level; resulting in a five year average for water sold at 721 million gallons. The Town of Menasha Utility's last water rate increase was in March 2012, with the Wisconsin Public Service Commission.

Comparing water service revenues, 2015 shows an increase of \$341,548 from 2014 two-thirds of this amount is due to moving the rent revenue into operating revenue. Overall, the water operating revenue was more than operating expenses by \$1,252,057, and net position increased by \$656,979.



**TOWN OF MENASHA, WISCONSIN**

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2015

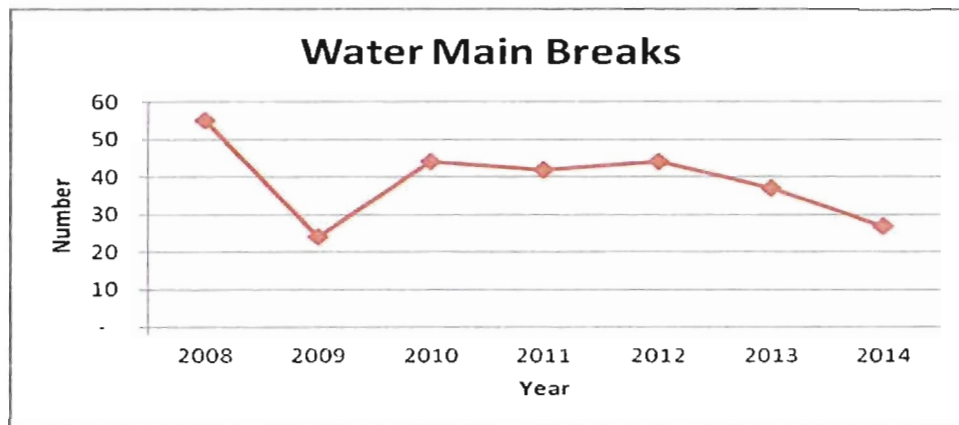
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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)**

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**Proprietary Funds (cont.)**

Since 1998, the Town of Menasha Utility District has been very aggressive with water main replacements. This is due to the number of water main breaks that occur in the utility. In 2003, the Water Utility hit an all time high in the number of water main breaks, 127; however, due to the aggressive main replacements, the number has decreased to 27 in 2015 and is below the five year average of 39 water main breaks. The associated overtime hours for water breaks has also decreased from 1,290 hours in 2003 to 278 hours in 2015. 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 2015, the Water Utility replaced approximately 0.88 miles of ductile iron water main, compared to 1.1 miles in 2014, 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 133.2 miles of water mains, with approximately 24%, or 31.7 miles, of ductile iron water mains and 76%, or 101.5 miles, of PVC water mains.

Sewer Utility

The Sewer Utility maintains 118.83 miles of sewer mains, and eight lift stations. In 2015, there was \$58,385 in developer contributions from 3 subdivisions, compared to \$82,745 in 2014. From 2012 to 2013 there were not any infrastructure contributed by developers compared to \$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 third 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; however, the Utility Commission has approved a 3% rate increase effective January 15, 2016.

## TOWN OF MENASHA, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

#### UNAUDITED

As of and For Year Ended December 31, 2015

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

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#### Proprietary Funds (cont.)

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. For 2013 through 2015 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 2016, the flow meters will be reinstalled in the same locations to evaluate the effectiveness of this project compared to the cost. The 2015 non-operating cost for the discount to the customers and televising customer laterals was \$16,789 compared to \$54,219 in 2014 and \$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, 2015

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

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#### 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, which includes the purchase of 8.058 acres of land 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, 2015

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

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**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 2015, the Stormwater Utility earned \$1.6 million in operating revenue and had \$1.5 million in operating expenses, with an \$86 thousand operating income. This compares to \$1.6 million in operating revenue, \$1 million in operating expenses and a \$0.6 million operating income in 2014.

One of the main reasons for the increase in expenses from 2014 to 2015 was the Red Oak Ravine stormwater improvement maintenance project. This project was a joint venture with the City of Appleton, with a Town expense of \$431,655. This area had 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 was expected to cost almost \$1.6 million, with \$0.5 million the Town of Menasha's cost. The project was started a few years ago, and the project was finalized in 2015.

## TOWN OF MENASHA, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2015

### CAPITAL ASSETS

	Governmental		Business-type		Totals		Total
	Activities		Activities				Percentage
	2014	2015	2014	2015	2014	2015	Change
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014-2015</u>
Land and Land Rights	30.06	30.06	1.19	1.20	31.25	31.26	0.03%
Land Improvements	0.17	0.17			0.17	0.17	0.00%
Buildings	6.71	7.11			6.71	7.11	5.96%
Computer Software & Equip	0.13	0.12			0.13	0.12	(7.69%)
Machinery and Equipment	2.05	1.79	2.32	2.20	4.37	3.99	(8.70%)
Vehicles	1.59	1.42			1.59	1.42	(10.69%)
Roadways	14.20	16.09			14.20	16.09	13.31%
Trails	2.21	2.23			2.21	2.23	0.90%
Source of Supply			1.56	1.50	1.56	1.50	(3.85%)
Pumping			1.03	0.98	1.03	0.98	(4.85%)
Treatment			0.82	0.90	0.82	0.90	9.76%
Trans. & Dist./Collection			54.45	56.98	54.45	56.98	4.65%
Construction in progress	1.90	0.02	2.03	0.76	3.93	0.78	(80.15%)
<b>Total</b>	<u>59.02</u>	<u>59.01</u>	<u>63.40</u>	<u>64.52</u>	<u>122.42</u>	<u>123.53</u>	<u>0.91%</u>

(Totals may vary due to rounding.)

At the end of 2015, the Town had invested a total of \$123 million in capital assets (net of accumulated depreciation), an increase of 1% from 2014. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress. In 2014, the Town had \$122 million invested in net capital assets.

As seen in the above table, the most significant value change from 2014 to 2015 in capital assets, net of accumulated depreciation, was the decrease in construction in progress assets. These projects have been completed and move to the appropriate asset type. The business-type activity construction in progress total amount includes the installation of stormwater main, engineering for stormwater detention ponds, and sewer main replacements. The governmental activity construction in progress amount relates to engineering for road construction projects. 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, 2015

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

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##### 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. These projects were removed from Construction in Progress and placed in the appropriate assets in 2015.

##### 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. This project was removed from Construction in Progress and placed in the appropriate asset in 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. This project was removed from Construction in Progress and placed in the appropriate assets in 2015.

##### 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. This second bridge was a welcome addition to the park and will provide a safer and more aesthetically pleasing means to cross the creek on the disc golf course. The first bridge was installed in 2014.

##### Wittmann Park (Phase I)

A new pavilion with restroom, kitchenette and storage was constructed while the old pavilion was demolished. The new pavilion will provide a significant benefit to the regular park guests, soccer players and family members and will also allow for a better rental experience.

##### Fritse Park Lighting

Ten (10) years ago the Town completed a bike and pedestrian trail using an abandoned trestle. This park is the main access to the trail and is heavily used. Given the popularity of the park it is imperative to provide a safe place for individuals to gather in the park; therefore, five poles with LED light heads were installed in the south portion of the park and parking lot.

**TOWN OF MENASHA, WISCONSIN**

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2015

**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 was 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 2015, the Town of Menasha refinanced the Water and Sewer Utility's 2005A and 2005B Revenue Bonds. With this refinance, the Utility saved \$488,165 in present value savings over the remaining life of the debt.

In November 2015, the Town of Menasha issued Water and Sewer Revenue Bonds in the amount of \$1,400,000. These funds were for 2015 and 2016 water and sewer projects.

In November 2015, the Town of Menasha issued General Obligation Promissory Notes in the amount of \$1,640,000. \$1,120,000 of these funds were for 2015 Town road and park projects and a 2016 Town road project, \$200,000 was for a 2016 water utility well rehabilitation project, and \$320,000 was for 2015 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 20,539,519 which is considerably below the maximum of 73,456,695.

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

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014-2015</u>
General Obligation	10.85	10.16	10.54	10.38	21.39	20.54	(3.97%)
Revenue Bonds			17.59	17.38	17.59	17.38	(1.19%)
<b>Total</b>	<b>10.85</b>	<b>10.16</b>	<b>28.13</b>	<b>27.76</b>	<b>38.98</b>	<b>37.92</b>	<b>(2.72%)</b>

(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, 2015

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#### **LONG-TERM DEBT (cont.)**

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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 2015.

To control our overall annual debt costs, over the past several years, the Town of Menasha has decreased the annual amount of borrowing for the water and sewer utility. The Town decided not to borrow for new water and sewer utility capital projects in fiscal years 2012, 2013 and 2014. During these years, the utility used depreciation funds on hand for capital infrastructure replacement needs. In 2015, the utility issued new debt for its capital improvement plan. In 2016, borrowing is not anticipated for water and sewer projects.

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

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#### **CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS**

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##### Sewer Utility Rate Increase

On October 26, 2015, the Town of Menasha Utility District Commission increased sewer utility rates by 3%, effective January 15, 2016.

##### 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 had over 200 signatures.

On May 1, 2015, the incorporation petition was submitted to the Winnebago County Circuit Court. After a review by a Circuit Court judge, the petition was sent to the Wisconsin Department of Administration to be reviewed by a special committee for a period of 180 days. On February 2, 2016, the Department of Administration approved the petition then returned it to the Winnebago County Circuit Court for the judge to set a date for a referendum vote. On April 5, 2016, a referendum vote will be held with the electors in the incorporating area. Should a



## TOWN OF MENASHA, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

#### UNAUDITED

As of and For Year Ended December 31, 2015

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### **CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS (cont.)**

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majority vote in favor of the incorporation, then the incorporation is effective when the Secretary of the Department of Administration signs the incorporation paperwork. If the incorporation is approved, the Town of Menasha plans to reattach the remaining portion of the town into the new village before the end of fiscal year 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.

#### *TID #2*

On March 15, 2016, the Joint Review Board for Tax Incremental District #2 approved the Town of Menasha's second TID. The project encompasses 51.8 acres of land located in the McMahon Business Park and estimates a conservative \$12 million construction increment. One of the main projects in this TID will be the Menasha Office One, LLC, (WOW Logistics) corporate headquarters, which will be constructed by the end of 2017.

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### **REQUESTS FOR INFORMATION**

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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](mailto: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](http://www.town-menasha.com).

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF MENASHA, WISCONSIN**

Statement of Net Position

As of December 31, 2015

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 11,527,246	\$ 5,087,690	\$ 16,614,936
Restricted Cash	341,882	1,893,741	2,235,623
Receivables:			
Taxes	9,492,364	-	9,492,364
Delinquent Personal Property Taxes	5,294	-	5,294
Accounts	337,556	2,342,357	2,679,913
Loans	100,000	-	100,000
Accrued Interest	21,675	28,387	50,062
Prepays	74,232	42,863	117,095
Internal Balances	463,982	(463,982)	-
Due from Other Governments	-	37,908	37,908
Current Portion of Advance to Neenah- Menasha Sewerage Commission	-	142,726	142,726
Current Portion of Advance to Grand Chute- Menasha West Regional Plant	-	298,254	298,254
Inventories	-	54,074	54,074
<b>Total Current Assets</b>	<u>22,364,231</u>	<u>9,464,018</u>	<u>31,828,249</u>
<b>Noncurrent Assets</b>			
Restricted Cash	-	2,840,605	2,840,605
Restricted Investments	-	825,545	825,545
Special Assessments	308,812	727,523	1,036,335
Other Investments	-	615,103	615,103
Due from Other Governments	-	491,573	491,573
Advance to Neenah-Menasha Sewerage Commission	-	2,871,916	2,871,916
Advance to Grand Chute-Menasha West Regional Plant	-	4,534,361	4,534,361
Pension Asset	834,574	220,246	1,054,820
Property Held for Future Use	-	74,373	74,373
Preliminary Survey and Investigation	-	16,303	16,303
Capital Assets, Nondepreciable:			
Land	30,027,843	1,205,314	31,233,157
Easements	30,818	-	30,818
Construction in Progress	15,199	764,832	780,031
Capital Assets, Depreciable	51,455,897	87,868,563	139,324,460
Less: Accumulated Depreciation	(22,516,887)	(25,333,673)	(47,850,560)
<b>Total Noncurrent Assets</b>	<u>60,156,256</u>	<u>77,722,584</u>	<u>137,878,840</u>
<b>TOTAL ASSETS</b>	<u>82,520,487</u>	<u>87,186,602</u>	<u>169,707,089</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	-	5,690	5,690
Deferred Outflows Related to Pension	853,043	225,120	1,078,163
<b>Total Deferred Outflows of Resources</b>	<u>853,043</u>	<u>230,810</u>	<u>1,083,853</u>

See Accompanying Notes

**TOWN OF MENASHA, WISCONSIN**

Statement of Net Position - Continued

As of December 31, 2015

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 299,888	\$ 612,863	\$ 912,751
Accrued and Other Current Liabilities	273,658	25,559	299,217
Deposits	143,420	-	143,420
Accrued Interest Payable	107,916	159,522	267,438
<b>Total Current Liabilities</b>	<u>824,882</u>	<u>797,944</u>	<u>1,622,826</u>
<b>Non-Current Liabilities</b>			
Due Within One Year	2,497,917	2,372,199	4,870,116
Due in More than One Year	8,538,847	25,892,950	34,431,797
<b>Total Non-Current Liabilities</b>	<u>11,036,764</u>	<u>28,265,149</u>	<u>39,301,913</u>
<b>Total Liabilities</b>	<u>11,861,646</u>	<u>29,063,093</u>	<u>40,924,739</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Levied for Subsequent Periods	9,128,164	-	9,128,164
Deferred Inflows Related to Pension	194	51	245
<b>Total Deferred Inflows of Resources</b>	<u>9,128,358</u>	<u>51</u>	<u>9,128,409</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	49,144,205	45,569,652	94,713,857
Restricted:			
General Government	449	-	449
Public Safety	75,150	-	75,150
Public Works	163,732	-	163,732
Leisure Activities	149,647	-	149,647
Community Development	8,655	-	8,655
Debt Service and Equipment Replacement	100,000	3,363,362	3,463,362
Pension Benefits	1,687,423	445,315	2,132,738
Unrestricted	<u>11,054,265</u>	<u>8,975,939</u>	<u>20,030,204</u>
<b>TOTAL NET POSITION</b>	<u>\$ 62,383,526</u>	<u>\$ 58,354,268</u>	<u>\$ 120,737,794</u>

**TOWN OF MENASHA, WISCONSIN**

Statement of Activities

For the Year Ended December 31, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>				
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 1,697,005	\$ 106,038	\$ 34,788	\$ 691
Public Safety	4,643,282	441,830	78,938	7,541
Public Works	3,919,743	1,074,577	786,073	945,119
Leisure Activities	1,093,025	206,054	-	156,574
Conservation and Development	139,895	36,892	18,624	-
Interest on Debt	229,424	-	31,391	-
<b>Total Governmental Activities</b>	11,722,374	1,865,391	949,814	1,109,925
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water Utility	4,458,316	5,231,200	31,141	384,897
Sewer Utility	3,297,096	3,381,800	-	165,594
Storm Water Utility	1,606,266	1,570,675	-	940,010
<b>Total Business-Type Activities</b>	9,361,678	10,183,675	31,141	1,490,501
<b>Total Government</b>	\$ 21,084,052	\$ 12,049,066	\$ 980,955	\$ 2,600,426

**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

Miscellaneous

**Total General Revenues**

**TRANSFER**

**CHANGE IN NET POSITION**

**NET POSITION - BEGINNING OF YEAR - RESTATED**

**NET POSITION - END OF YEAR**

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

Governmental Activities	Business- Type Activities	Total
\$ (1,555,488)	\$ -	\$ (1,555,488)
(4,114,973)	-	(4,114,973)
(1,113,974)	-	(1,113,974)
(730,397)	-	(730,397)
(84,379)	-	(84,379)
(198,033)	-	(198,033)
<u>(7,797,244)</u>	<u>-</u>	<u>(7,797,244)</u>
-	1,188,922	1,188,922
-	250,298	250,298
-	904,419	904,419
<u>-</u>	<u>2,343,639</u>	<u>2,343,639</u>
<u>(7,797,244)</u>	<u>2,343,639</u>	<u>(5,453,605)</u>
6,145,963	-	6,145,963
1,831,575	-	1,831,575
63,070	-	63,070
621,463	-	621,463
102,827	61,969	164,796
361,803	1,800	363,603
<u>9,126,701</u>	<u>63,769</u>	<u>9,190,470</u>
<u>544,174</u>	<u>(544,174)</u>	<u>-</u>
1,873,631	1,863,234	3,736,865
<u>60,509,895</u>	<u>56,491,034</u>	<u>117,000,929</u>
<u>\$ 62,383,526</u>	<u>\$ 58,354,268</u>	<u>\$ 120,737,794</u>

See Accompanying Notes

**TOWN OF MENASHA, WISCONSIN**

Balance Sheet  
Governmental Funds  
As of December 31, 2015

	General	TID #1	Debt Service	Capital Projects
<b>ASSETS</b>				
Cash and Investments	\$ 6,794,774	\$ -	\$ 869,025	\$ 694,395
Restricted Cash	-	-	-	341,882
Receivables:				
Taxes	6,575,997	-	1,973,167	-
Delinquent Personal Property Taxes	5,294	-	-	-
Accounts	300,497	-	2,160	-
Special Assessments	-	-	308,812	-
Loans	-	-	100,000	-
Accrued Interest	500	-	-	-
Prepaid Items	74,232	-	-	-
Advance to Other Funds	294,815	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 14,590,283</u>	<u>\$ -</u>	<u>\$ 3,253,164</u>	<u>\$ 1,036,277</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)</b>				
Liabilities				
Accounts Payable	\$ 173,188	\$ -	\$ -	\$ 24,465
Accrued and Other Current Liabilities	273,658	-	-	-
Deposits	143,420	-	-	-
Due to Other Funds	363,867	-	-	-
Advance from Other Fund	-	11,140	-	-
<b>Total Liabilities</b>	<u>954,133</u>	<u>11,140</u>	<u>-</u>	<u>24,465</u>
Deferred Inflows of Resources				
Unavailable - Special Assessments	-	-	308,812	-
Unavailable - Other	140,748	-	-	-
Taxes Levied for Subsequent Periods	6,211,797	-	1,973,167	-
<b>Total Deferred Inflows of Resources</b>	<u>6,352,545</u>	<u>-</u>	<u>2,281,979</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable:				
Delinquent Personal Property Taxes	5,294	-	-	-
Prepaid Items	74,232	-	-	-
Advances to Other Funds	294,815	-	-	-
Restricted:				
Debt Service	-	-	100,000	-
Capital Projects	-	-	-	341,882
Equitable Sharing	-	-	-	-
Garbage Collection/Recycling	-	-	-	-
Public Protection	-	-	-	-
Other Special Purposes	-	-	-	-
Committed:				
Stabilization Funds	1,959,993	-	-	-
Assigned:				
Accrued Sick Leave and Vacation	726,217	-	-	-
Carry Forward Appropriations	440,124	-	-	-
Debt Service	-	-	871,185	-
Capital Projects	-	-	-	669,930
Equipment Replacement	-	-	-	-
Unassigned:				
General Fund	3,782,930	-	-	-
Special Revenue Fund Deficit	-	(11,140)	-	-
<b>Total Fund Balances (Deficit)</b>	<u>7,283,605</u>	<u>(11,140)</u>	<u>971,185</u>	<u>1,011,812</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 14,590,283</u>	<u>\$ -</u>	<u>\$ 3,253,164</u>	<u>\$ 1,036,277</u>

See Accompanying Notes

Equipment Replacement Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,683,116	\$ 485,936	\$ 11,527,246
-	-	341,882
-	943,200	9,492,364
-	-	5,294
-	13,932	316,589
-	-	308,812
-	-	100,000
21,175	-	21,675
-	-	74,232
-	-	294,815
<u>\$ 2,704,291</u>	<u>\$ 1,443,068</u>	<u>\$ 23,027,083</u>

\$ -	\$ 102,235	\$ 299,888
-	-	273,658
-	-	143,420
-	-	363,867
-	-	11,140
-	<u>102,235</u>	<u>1,091,973</u>

-	-	308,812
-	-	140,748
-	943,200	9,128,164
-	<u>943,200</u>	<u>9,577,724</u>

-	-	5,294
-	-	74,232
-	-	294,815
-	-	100,000
-	-	341,882
-	17,792	17,792
-	163,732	163,732
-	43,064	43,064
-	173,045	173,045
-	-	1,959,993
-	-	726,217
-	-	440,124
-	-	871,185
-	-	669,930
2,704,291	-	2,704,291
-	-	3,782,930
-	-	(11,140)
<u>2,704,291</u>	<u>397,633</u>	<u>12,357,386</u>

<u>\$ 2,704,291</u>	<u>\$ 1,443,068</u>	<u>\$ 23,027,083</u>
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**TOWN OF MENASHA, WISCONSIN**

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
As of December 31, 2015

**Total Fund Balances - Governmental Funds** \$ 12,357,386

***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. 59,012,870

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	308,812
Other Long-Term Receivables	140,748

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	20,967
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The Town's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements.

Pension Asset	834,574
Deferred Outflows of Resources Related to Pension	853,043
Deferred Inflows of Resources Related to Pension	(194)

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	(10,163,052)	
Bond Premium	(147,495)	
Compensated Absences	(726,217)	
Accrued Interest on Long-Term Obligations	(107,916)	(11,144,680)

**Total Net Position - Governmental Activities** **\$ 62,383,526**

**TOWN OF MENASHA, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)  
Governmental Funds  
For the Year Ended December 31, 2015

	General	TID #1	Debt Service	Capital Projects
<b>REVENUES</b>				
Taxes	\$ 6,209,033	\$ -	\$ 1,831,575	\$ -
Intergovernmental	1,408,946	-	31,391	-
Licenses and Permits	528,680	-	-	-
Fines and Forfeits	195,590	-	-	-
Public Charges for Services	144,287	-	40,272	-
Special Assessments	16,283	-	65,553	-
Investment Income	65,074	-	22,373	1,167
Miscellaneous	259,633	-	-	921,387
<b>Total Revenues</b>	<u>8,827,526</u>	<u>-</u>	<u>1,991,164</u>	<u>922,554</u>
<b>EXPENDITURES</b>				
General Government	1,461,854	-	-	-
Public Safety	4,295,037	-	-	-
Public Works	1,834,337	-	-	94,241
Liesure Activities	782,572	-	-	-
Conservation and Development	124,920	11,140	-	-
Debt Service				
Principal	-	-	1,811,202	-
Interest and Fiscal Charges	-	-	282,542	37,168
Capital Outlay	-	-	-	1,519,736
<b>Total Expenditures</b>	<u>8,498,720</u>	<u>11,140</u>	<u>2,093,744</u>	<u>1,651,145</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>328,806</u>	<u>(11,140)</u>	<u>(102,580)</u>	<u>(728,591)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Long-Term Debt	-	-	-	1,120,000
Bond Premium	-	-	-	21,390
Sale of Capital Assets	-	-	-	-
Transfers In	907,380	-	110,558	-
Transfers Out	(594,021)	-	(636)	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<u>313,359</u>	<u>-</u>	<u>109,922</u>	<u>941,390</u>
<b>NET CHANGE IN FUND BALANCES</b>	642,165	(11,140)	7,342	212,799
<b>FUND BALANCES - BEGINNING</b>	<u>6,641,440</u>	<u>-</u>	<u>963,843</u>	<u>799,013</u>
<b>FUND BALANCES (DEFICIT) - ENDING</b>	<u>\$ 7,283,605</u>	<u>\$ (11,140)</u>	<u>\$ 971,185</u>	<u>\$ 1,011,812</u>

<u>Equipment Replacement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 8,040,608
-	96,152	1,536,489
-	-	528,680
-	-	195,590
-	1,013,503	1,198,062
-	-	81,836
13,239	973	102,826
-	60,788	1,241,808
<u>13,239</u>	<u>1,171,416</u>	<u>12,925,899</u>
-	1,280	1,463,134
-	14,691	4,309,728
-	891,751	2,820,329
-	1,471	784,043
-	3,449	139,509
-	-	1,811,202
-	-	319,710
325,814	-	1,845,550
<u>325,814</u>	<u>912,642</u>	<u>13,493,205</u>
<u>(312,575)</u>	<u>258,774</u>	<u>(567,306)</u>
-	-	1,120,000
-	-	21,390
60,657	-	60,657
593,521	763	1,612,222
-	(273,391)	(1,068,048)
<u>654,178</u>	<u>(272,628)</u>	<u>1,746,221</u>
341,603	(13,854)	1,178,915
<u>2,362,688</u>	<u>411,487</u>	<u>11,178,471</u>
<u>\$ 2,704,291</u>	<u>\$ 397,633</u>	<u>\$ 12,357,386</u>

**TOWN OF MENASHA, WISCONSIN**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)  
Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2015

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,178,915

***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	1,845,550	
Depreciation expense reported in the statement of activities	<u>1,834,519</u>	
Amount by which capital outlays are greater than depreciation in current period		11,031

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. (24,143)

Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements. 16,128

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	(14,997)	
Court	<u>(48,749)</u>	(63,746)

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: 1,811,202

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 (1,120,000)

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 (768)

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 33,683

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 premium amortization in the current year that exceeded premium on new debt.

Debt premium	<u>31,329</u>	
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**Change in Net Position - Governmental Activities** \$ 1,873,631

**TOWN OF MENASHA, WISCONSIN**

Statement of Net Position

Proprietary Funds

As of December 31, 2015

	<b>Business-Type Activities</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Storm Water</b>	<b>Total</b>
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 2,088,110	\$ 1,015,863	\$ 1,983,717	\$ 5,087,690
Restricted Cash and Investments	1,302,082	591,659	-	1,893,741
Receivables				
Customer	1,234,344	720,414	387,599	2,342,357
Accrued Interest	14,953	6,403	7,031	28,387
Due from Other Funds	111,531	177,107	75,229	363,867
Due from Other Governments	18,595	16,730	2,583	37,908
Current Portion of Advance to Neenah- Menasha Sewerage Commission	-	142,726	-	142,726
Current Portion of Advance to Grand Chute- Menasha West Regional Plant	-	298,254	-	298,254
Prepaid Items	18,843	12,650	11,370	42,863
Inventories	54,074	-	-	54,074
<b>Total Current Assets</b>	<b>4,842,532</b>	<b>2,981,806</b>	<b>2,467,529</b>	<b>10,291,867</b>
<b>NON-CURRENT ASSETS</b>				
Restricted Cash	405,992	1,058,913	1,375,700	2,840,605
Restricted Investments	332,280	493,265	-	825,545
Other Assets				
Special Assessments	27,999	154,087	545,437	727,523
Other Investments	-	615,103	-	615,103
Due from Other Governments	-	-	491,573	491,573
Advance to Neenah-Menasha Sewerage Commission	-	2,871,916	-	2,871,916
Advance to Grand Chute-Menasha West Regional Plant	-	4,534,361	-	4,534,361
Pension Asset	109,068	64,660	46,518	220,246
Property Held for Future Sale	-	-	74,373	74,373
Preliminary Survey and Investigation	-	-	16,303	16,303
<b>Total Other Assets</b>	<b>137,067</b>	<b>8,240,127</b>	<b>1,174,204</b>	<b>9,551,398</b>
Capital Assets, Nondepreciable				
Land	150,700	64,705	989,909	1,205,314
Construction in Progress	3,110	664,881	96,841	764,832
Capital Assets				
Utility Plant	39,975,044	31,612,211	16,281,308	87,868,563
Less: Accumulated Depreciation	(11,894,515)	(10,126,507)	(3,312,651)	(25,333,673)
<b>Net Capital Assets</b>	<b>28,234,339</b>	<b>22,215,290</b>	<b>14,055,407</b>	<b>64,505,036</b>
<b>Total Noncurrent Assets</b>	<b>29,109,678</b>	<b>32,007,595</b>	<b>16,605,311</b>	<b>77,722,584</b>
<b>Total Assets</b>	<b>33,952,210</b>	<b>34,989,401</b>	<b>19,072,840</b>	<b>88,014,451</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized Loss on Advance Refunding	5,690	-	-	5,690
Deferred Outflows Related to Pension	111,482	66,091	47,547	225,120
<b>Total Deferred Outflows of Resources</b>	<b>117,172</b>	<b>66,091</b>	<b>47,547</b>	<b>230,810</b>

See Accompanying Notes

**TOWN OF MENASHA, WISCONSIN**

Statement of Net Position - Continued

Proprietary Funds

As of December 31, 2015

	<b>Business-Type Activities</b>			
	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>	<u>Total</u>
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 202,397	\$ 296,297	\$ 114,169	\$ 612,863
Accrued and Other Current Liabilities	14,887	5,918	4,754	25,559
Accrued Interest Payable	80,055	927	27,709	108,691
Due to Other Funds	544,174	-	-	544,174
Current Portion of Compensated Absences	84,110	33,693	34,811	152,614
Current Portion of Advances from Other Funds	-	-	75,000	75,000
Current Portion of General Obligation Debt	115,377	151,707	414,246	681,330
Current Portion of Revenue Bonds	-	298,255	-	298,255
Current Liabilities Payable from Restricted Assets				
Current Portion of Revenue Bonds	830,699	409,301	-	1,240,000
Accrued Interest	37,591	13,240	-	50,831
<b>Total Current Liabilities</b>	<u>1,909,290</u>	<u>1,209,338</u>	<u>670,689</u>	<u>3,789,317</u>
<b>NON-CURRENT LIABILITIES</b>				
Advances from Other Funds	-	-	208,675	208,675
General Obligation Debt	1,977,176	2,871,917	4,884,804	9,733,897
Revenue Bonds	8,222,284	7,785,731	-	16,008,015
Compensated Absences	73,983	34,506	34,408	142,897
Customer Advances for Construction	4,607	3,534	-	8,141
<b>Total Noncurrent Liabilities</b>	<u>10,278,050</u>	<u>10,695,688</u>	<u>5,127,887</u>	<u>26,101,625</u>
<b>Total Liabilities</b>	<u>12,187,340</u>	<u>11,905,026</u>	<u>5,798,576</u>	<u>29,890,942</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows Related to Pension	<u>25</u>	<u>15</u>	<u>11</u>	<u>51</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	17,822,631	18,815,132	8,931,889	45,569,652
Restricted for				
Debt Service	536,009	-	-	536,009
Depreciation Account	65,404	764,129	1,199,802	2,029,335
Reserve Account	-	308,992	-	308,992
Plant Replacement	-	313,128	-	313,128
Construction Account	-	-	175,898	175,898
Pension Benefit	220,525	130,736	94,054	445,315
Unrestricted	3,237,448	2,818,334	2,920,157	8,975,939
<b>TOTAL NET POSITION</b>	<u>\$ 21,882,017</u>	<u>\$ 23,150,451</u>	<u>\$ 13,321,800</u>	<u>\$ 58,354,268</u>

See Accompanying Notes

**TOWN OF MENASHA, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015

	<u>Business-Type Activities</u>			<u>Total</u>
	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 4,969,206	\$ 3,381,800	\$ 1,570,369	\$ 9,921,375
Other Receipts	261,994	-	306	262,300
<b>Total Operating Revenues</b>	<u>5,231,200</u>	<u>3,381,800</u>	<u>1,570,675</u>	<u>10,183,675</u>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	3,183,008	2,659,066	1,162,126	7,004,200
Depreciation	796,135	477,682	322,312	1,596,129
<b>Total Operating Expenses</b>	<u>3,979,143</u>	<u>3,136,748</u>	<u>1,484,438</u>	<u>8,600,329</u>
<b>OPERATING INCOME</b>	<u>1,252,057</u>	<u>245,052</u>	<u>86,237</u>	<u>1,583,346</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Income	10,431	41,377	10,161	61,969
Intergovernmental Grant - Interest Subsidy	31,141	-	-	31,141
Miscellaneous	1,800	(14,089)	-	(12,289)
Interest and Amortization Expense	(479,173)	(146,259)	(121,828)	(747,260)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(435,801)</u>	<u>(118,971)</u>	<u>(111,667)</u>	<u>(666,439)</u>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	816,256	126,081	(25,430)	916,907
<b>CAPITAL CONTRIBUTIONS</b>	384,897	165,594	940,010	1,490,501
<b>TRANSFERS</b>	<u>(544,174)</u>	<u>-</u>	<u>-</u>	<u>(544,174)</u>
<b>CHANGE IN NET POSITION</b>	656,979	291,675	914,580	1,863,234
<b>NET POSITION - BEGINNING - RESTATED</b>	<u>21,225,038</u>	<u>22,858,776</u>	<u>12,407,220</u>	<u>56,491,034</u>
<b>NET POSITION - ENDING</b>	<u>\$ 21,882,017</u>	<u>\$ 23,150,451</u>	<u>\$ 13,321,800</u>	<u>\$ 58,354,268</u>

**TOWN OF MENASHA, WISCONSIN**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015

	<b>Business-Type Activities</b>			
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Storm Water</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from User Charges	\$ 5,261,737	\$ 3,497,411	\$ 1,693,847	\$ 10,452,995
Cash Received from Municipality for Services	17,015	-	-	17,015
Cash Payments to Suppliers	(2,493,524)	(2,421,757)	(763,213)	(5,678,494)
Cash Payments to Employees	(812,335)	(500,391)	(357,134)	(1,669,860)
Cash Paid to Municipality for Services	-	(12,470)	(10,877)	(23,347)
<b>Net Cash Flows From Operating Activities</b>	<u>1,972,893</u>	<u>562,793</u>	<u>562,623</u>	<u>3,098,309</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investments Sold and Matured	144,590	342,014	-	486,604
Interest Income	10,431	39,956	3,130	53,517
<b>Net Cash Flows From Investing Activities</b>	<u>155,021</u>	<u>381,970</u>	<u>3,130</u>	<u>540,121</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(1,189,545)	(1,241,085)	(269,601)	(2,700,231)
Capital Contributions - Customers	164,678	149,335	940,010	1,254,023
Intergovernmental Grant - Subsidy Received	32,294	-	-	32,294
Repayment of Advance from Other Funds	-	-	(3,057)	(3,057)
Special Assessments Issued	-	(32,214)	(484,936)	(517,150)
Special Assessments Received	8,608	80,504	87,471	176,583
Proceeds from Long-Term Debt	4,166,612	2,213,388	320,000	6,700,000
Debt Premium	85,014	45,698	2,949	133,661
Principal Payments on Long-Term Debt	(3,782,150)	(2,433,547)	(423,817)	(6,639,514)
Interest Payments on Long-term Debt	(501,800)	(163,558)	(120,927)	(786,285)
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<u>(1,016,289)</u>	<u>(1,381,479)</u>	<u>48,092</u>	<u>(2,349,676)</u>
<b>NET CHANGE IN CASH AND INVESTMENTS</b>	1,111,625	(436,716)	613,845	1,288,754
<b>CASH AND INVESTMENTS - BEGINNING</b>	<u>2,684,559</u>	<u>3,718,254</u>	<u>2,745,572</u>	<u>9,148,385</u>
<b>CASH AND INVESTMENTS - ENDING</b>	<u>\$ 3,796,184</u>	<u>\$ 3,281,538</u>	<u>\$ 3,359,417</u>	<u>\$ 10,437,139</u>



**TOWN OF MENASHA, WISCONSIN**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015

	<b>Business-Type Activities</b>			
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Storm Water</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income	\$ 1,252,057	\$ 245,052	\$ 86,237	\$ 1,583,346
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	796,135	477,682	322,312	1,596,129
Meter Depreciation Charged to Sewer	37,199	(37,199)	-	-
Miscellaneous	1,800	(14,089)	-	(12,289)
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources				
Account Receivables	36,335	49,958	95,424	181,717
Due from Other Governments	(2,889)	69,731	27,748	94,590
Due from Other Funds	17,015	(12,470)	(10,877)	(6,332)
Prepaid Items	(1,604)	(952)	(840)	(3,396)
Inventories	15,435	-	-	15,435
Pension Asset	66,346	39,333	28,296	133,975
Deferred Outflows Related to Pension	(68,478)	(40,596)	(29,206)	(138,280)
(Decrease) Increase in Operating Liabilities and Deferred Inflows of Resources				
Accounts Payable	(133,244)	(145,136)	41,991	(236,389)
Accrued and Other Liabilities	(31,257)	(20,368)	(10,709)	(62,334)
Customer Advance for Construction	(4,709)	(4,078)	-	(8,787)
Compensated Absences	(7,273)	(44,090)	12,236	(39,127)
Deferred Inflows Related to Pension	25	15	11	51
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>\$ 1,972,893</u></b>	<b><u>\$ 562,793</u></b>	<b><u>\$ 562,623</u></b>	<b><u>\$ 3,098,309</u></b>
<b>RECONCILIATION OF CASH AND INVESTMENTS PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS</b>				
Cash and Investments	\$ 2,088,110	\$ 1,015,863	\$ 1,983,717	\$ 5,087,690
Restricted Cash and Investments-Current	1,302,082	591,659	-	1,893,741
Restricted Cash-Non-Current	405,992	1,058,913	1,375,700	2,840,605
Other Investments	-	615,103	-	615,103
<b>TOTAL CASH PER STATEMENT OF CASH FLOWS</b>	<b><u>\$ 3,796,184</u></b>	<b><u>\$ 3,281,538</u></b>	<b><u>\$ 3,359,417</u></b>	<b><u>\$ 10,437,139</u></b>
<b>NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets contributed and assessed but not received	\$ 220,219	\$ 16,259	\$ -	\$ 236,478
Reduction in debt for regional treatment plant	-	429,535	-	429,535
<b>TOTAL NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>\$ 220,219</u></b>	<b><u>\$ 445,794</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 666,013</u></b>

**TOWN OF MENASHA, WISCONSIN**

Statement of Net Position

Fiduciary Fund

As of December 31, 2015

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	<u>Agency</u> <u>Tax Collection</u> <u>Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 13,844,272
Receivables - Taxes	<u>10,399,415</u>
<b>Total Assets</b>	<u><u>\$ 24,243,687</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 17,702
Due to Other Governments	<u>24,225,985</u>
<b>Total Liabilities</b>	<u><u>\$ 24,243,687</u></u>

See Accompanying Notes

## TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2015

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### 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, except for the implementation of new accounting standards as explained later within this footnote. 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, 2015

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**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, 2015

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**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.

TID #1

This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures related to the TID #1 project plan. This fund was created in 2015 and there was no budget prepared for the year ended December 31, 2015.

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.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

**Governmental Funds (Continued)**

**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.

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

# TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2015

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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 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.

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.

# TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2015

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

#### 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.

#### 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.



## TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2015

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 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 a plant 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.

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. 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.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Capital Assets (Continued)**

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 storm water utility also has a receivable from the City of Menasha for the funding of storm water projects. The total amount remaining to be paid is \$491,573.

**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, 2015

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### Deferred Outflows/Inflows of Resources

In addition to assets, the statements 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 two items that qualify for reporting in this category. They are the deferred charge on refunding and deferred outflows related to pension reported in the statements 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. Deferred outflows related to pension are explained further in Note 9.

In addition to liabilities, the statements 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 three types of items, one which arises under both modified accrual and the full accrual basis of accounting, one that arises under 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 deferred inflows related to pension are recorded on the statements of net position and are explained further in Note 9. 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, 2015

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### 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 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 benefitting 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, 2015

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## 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 \$1,959,993.

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 \$3,782,930, or 38.6%, 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.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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.

**IMPLEMENTATION OF NEW ACCOUNTING STANDARD**

The Town implemented Governmental Accounting Standards Board (GASB) Statements No. 68 *Accounting and Financial Reporting for Pensions* and No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* for the year ended December 31, 2015. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability (asset) for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The net pension asset that is recorded on the statements of net position is computed using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised footnote disclosures and required supplementary information (RSI). In addition, Statement No. 71 eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing Statement No. 68. It requires that when a government is transitioning to the new pension standard that it recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension asset and the beginning of the initial fiscal year of implementation.

## TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2015

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### 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.

#### 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, 2015, the Town's deposits had a bank balance of \$26,243,266. 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.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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, 2015, 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, 2015:

Fully Insured Deposits	\$ 2,061,431
Collateralized with Securities held by the Pledging of Financial Institution in the Town's Name	23,970,639
Uncollateralized	<u>211,196</u>
Total	<u>\$ 26,243,266</u>

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

<u>Investment</u>	<u>Fair Value</u>	<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25-60 months</u>
Corporate Bonds	\$ 2,801,274	\$ 900,000	\$ 535,900	\$ 1,365,374
Town of Clayton	36,952	36,952	-	-
WI Local Government Investment Pool	8,012,617	8,012,617	-	-
Totals	<u>\$ 10,850,843</u>	<u>\$ 8,949,569</u>	<u>\$ 535,900</u>	<u>\$ 1,365,374</u>

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.



**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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, 2015, the Town's credit quality ratings are as follows:

Investment	Fair Value	AA+	A+	AA-	Not Rated
Corporate Bonds	\$ 2,801,274	\$1,354,752	\$ 900,000	\$ 546,522	\$ -
Town of Clayton	36,952				36,952
WI Local Government Investment Pool	8,012,617	-	-	-	8,012,617
<b>Totals</b>	<b>\$10,850,843</b>	<b>\$1,354,752</b>	<b>\$ 900,000</b>	<b>\$ 546,522</b>	<b>\$ 8,049,569</b>

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:

Issuer	Investment Type	Reported Amount
General Electric Company	Bond	\$ 1,354,752
Rabobank	Bond	900,000
Westpac Banking Corp	Bond	546,522
		<b>\$ 2,801,274</b>

**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.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 4 - INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS**

Interfund receivables and payables between individual funds of the Town as of December 31, 2015 are detailed below:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Utility	\$ 111,531	Due from tax roll - delinquent accounts
General Fund	Sewer Utility	177,107	Due from tax roll - delinquent accounts
General Fund	Storm Water Utility	75,229	Due from tax roll - delinquent accounts
Total		<u>\$ 363,867</u>	

Interfund transfers for the year ended December 31, 2015 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	\$ 593,521	Funding of equipment replacement
General Fund	Other Special Revenue	500	Funding of the sustainability acct.
Garbage Collection / Recycling	General Fund	115,763	Expenditure reimbursement
Garbage Collection / Recycling	Debt Service Fund	64,044	Share of debt service
Grants	General Fund	15,175	Expenditure reimbursement
Other Special Revenue	General Fund	31,632	Expenditure reimbursement
Other Special Revenue	Debt Service Fund	46,514	Expenditure reimbursement
GREAT Fund	Other Special Revenue	263	Expenditure reimbursement
Debt Service Fund	General Fund	636	Expenditure reimbursement
Capital Projects Fund	General Fund	200,000	Expenditure reimbursement
Water Fund	General Fund	544,174	Payment in lieu of taxes
Total		<u>\$1,612,222</u>	

Advances

The general fund advanced funds to the storm water utility fund and is charging interest at a rate of 3.5%. The principal purpose of the storm water advance is to finance costs incurred in the storm water utility rather than borrowing externally. No repayment schedule has been established. However, the storm water utility has budgeted to repay \$75,000 in 2016. 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 general fund has advance TID #1 funds for the initial costs of the fund. The advance to TID #1 will be paid with future tax increments of the district.

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	\$ 283,675	Advance
TID #1	General Fund	11,140	Advance
Total		<u>\$ 294,815</u>	

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 5 - CAPITAL ASSETS**

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

	<u>Balance</u> <u>1/1/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2015</u>
<b>Governmental Activities</b>				
Capital Assets not being Depreciated:				
Land	\$ 30,027,843	\$ -	\$ -	\$ 30,027,843
Easements	30,818	-	-	30,818
Construction in Progress	1,904,495	3,892	1,893,188	15,199
Total Capital Assets not being Depreciated	<u>31,963,156</u>	<u>3,892</u>	<u>1,893,188</u>	<u>30,073,860</u>
<b>Other Capital Assets</b>				
Land Improvements	239,667	-	-	239,667
Buildings	10,573,547	742,896	68,738	11,247,705
Computer Software	195,355	-	-	195,355
Computer Equipment	316,676	-	-	316,676
Machinery and Equipment	4,430,942	197,496	65,270	4,563,168
Vehicles	3,793,595	162,640	121,432	3,834,803
Roads	25,268,506	2,498,909	200,583	27,566,832
Trails	3,358,786	132,905	-	3,491,691
Total Capital Assets being Depreciated	<u>48,177,074</u>	<u>3,734,846</u>	<u>456,023</u>	<u>51,455,897</u>
<b>Less Accumulated Depreciation for:</b>				
Land Improvements	69,189	-	-	69,189
Buildings	3,857,154	348,251	63,583	4,141,822
Computer Software	180,451	3,348	-	183,799
Computer Equipment	205,382	11,600	-	216,982
Machinery and Equipment	2,381,655	439,358	54,961	2,766,052
Vehicles	2,202,541	331,361	121,432	2,412,470
Roads	11,072,725	586,460	191,904	11,467,281
Trails	1,145,151	114,141	-	1,259,292
Total Accumulated Depreciation	<u>21,114,248</u>	<u>1,834,519</u>	<u>431,880</u>	<u>22,516,887</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>27,062,826</u>	<u>1,900,327</u>	<u>24,143</u>	<u>28,939,010</u>
<b>Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<u><u>\$ 59,025,982</u></u>	<u><u>\$ 1,904,219</u></u>	<u><u>\$ 1,917,331</u></u>	<u><u>\$ 59,012,870</u></u>

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 5 - CAPITAL ASSETS (Continued)**

	<u>Balance</u> <u>1/1/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2015</u>
<b>Business-Type Activities</b>				
<b>Water</b>				
Capital Assets not Being				
Depreciated:				
Land	\$ 144,200	\$ 6,500	\$ -	\$ 150,700
Construction in Progress	11,516	3,110	11,516	3,110
Total Capital Assets not being				
Depreciated	<u>155,716</u>	<u>9,610</u>	<u>11,516</u>	<u>153,810</u>
Capital Assets being Depreciated				
Source of Supply	2,361,778	-	-	2,361,778
Pumping	1,036,803	16,536	10,403	1,042,936
Treatment	3,076,910	180,291	28,000	3,229,201
Transmission and Distribution	30,270,491	918,363	157,651	31,031,203
General	<u>2,251,454</u>	<u>76,505</u>	<u>18,033</u>	<u>2,309,926</u>
Total Capital Assets being				
Depreciated	<u>38,997,436</u>	<u>1,191,695</u>	<u>214,087</u>	<u>39,975,044</u>
Less: Accumulated Depreciation for:				
Source of Supply	795,834	63,590	-	859,424
Pumping	517,896	43,748	10,403	551,241
Treatment	2,259,927	102,579	28,000	2,334,506
Transmission and Distribution	6,616,663	524,525	157,651	6,983,537
General	<u>1,084,704</u>	<u>99,136</u>	<u>18,033</u>	<u>1,165,807</u>
Total Accumulated				
Depreciation	<u>11,275,024</u>	<u>833,578</u>	<u>214,087</u>	<u>11,894,515</u>
Total Capital Assets being				
Depreciated, Net of Depreciation	<u>27,722,412</u>	<u>358,117</u>	<u>-</u>	<u>28,080,529</u>
Water Capital				
Assets, Net of Accumulated				
Depreciation	<u>\$ 27,878,128</u>	<u>\$ 367,727</u>	<u>\$ 11,516</u>	<u>\$ 28,234,339</u>

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 5 - CAPITAL ASSETS (Continued)**

	<u>Balance</u> <u>1/1/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2015</u>
<b>Business-Type Activities</b>				
<b>Sewer</b>				
Capital Assets not Being Depreciated:				
Land	\$ 64,705	\$ -	\$ -	\$ 64,705
Construction in Progress	17,375	664,881	17,375	664,881
Total Capital Assets not being Depreciated	<u>82,080</u>	<u>664,881</u>	<u>17,375</u>	<u>729,586</u>
Capital Assets being Depreciated				
Collection System	28,516,987	507,453	68,828	28,955,612
Collection System Pumping	1,491,054	48,490	17,401	1,522,143
General	1,119,871	37,393	22,808	1,134,456
Total Capital Assets being Depreciated	<u>31,127,912</u>	<u>593,336</u>	<u>109,037</u>	<u>31,612,211</u>
Less: Accumulated Depreciation for:				
Collection System	8,452,643	298,103	68,828	8,681,918
Collection System Pumping	983,149	61,239	17,401	1,026,987
General	359,513	80,897	22,808	417,602
Total Accumulated Depreciation	<u>9,795,305</u>	<u>440,239</u>	<u>109,037</u>	<u>10,126,507</u>
Total Capital Assets being Depreciated, Net of Depreciation	<u>21,332,607</u>	<u>153,097</u>	<u>-</u>	<u>21,485,704</u>
Sewer Capital Assets, Net of Accumulated Depreciation	<u>\$21,414,687</u>	<u>\$ 817,978</u>	<u>\$ 17,375</u>	<u>\$22,215,290</u>

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 5 - CAPITAL ASSETS (Continued)**

	<b>Balance 1/1/2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 12/31/2015</b>
<b>Business-Type Activities</b>				
<b>Storm</b>				
Capital Assets not Being Depreciated:				
Land	\$ 989,909	\$ -	\$ -	\$ 989,909
Construction in Progress	1,997,617	18,996	1,919,772	96,841
Total Capital Assets not being Depreciated	2,987,526	18,996	1,919,772	1,086,750
Capital Assets being Depreciated				
Storm Sewer	13,443,877	2,160,197	423	15,603,651
Equipment	667,277	10,380	-	677,657
Total Capital Assets being Depreciated	14,111,154	2,170,577	423	16,281,308
Less: Accumulated Depreciation for:				
Storm Sewer	2,710,889	241,928	223	2,952,594
Equipment	279,673	80,384	-	360,057
Total Accumulated Depreciation	2,990,562	322,312	223	3,312,651
Total Capital Assets being Depreciated, Net of Depreciation	11,120,592	1,848,265	200	12,968,657
Storm Capital Assets, Net of Accumulated Depreciation	\$ 14,108,118	\$ 1,867,261	\$ 1,919,972	\$ 14,055,407

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

<b>Governmental Activities</b>	
General Government	\$ 188,187
Public Safety	274,532
Public Works	892,433
Leisure Activities	479,367
Total Depreciation Expense - Governmental Activities	\$ 1,834,519
<b>Business-Type Activities</b>	
Water Utility	\$ 796,135
Sewer Utility	477,682
Storm Water Utility	322,312
Total Depreciation Expense - Business-type Activities	\$ 1,596,129

Depreciation expense may be different for business-type activity accumulated depreciation additions because of joint metering allocation between the water utility and sewer utility, salvage, internal allocations, or costs associated with the disposal of assets.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**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, 2015:

	<u>Outstanding 1/1/15</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/15</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General Obligation Debt	\$ 10,854,254	\$ 1,120,000	\$ 1,811,202	\$ 10,163,052	\$ 2,046,892
Premium	178,824	21,390	52,719	147,495	-
Total Bonds and Notes Payable	11,033,078	1,141,390	1,863,921	10,310,547	2,046,892
Compensated Absences	725,449	455,457	454,689	726,217	451,025
Total Governmental Activities Long-Term Liabilities	<u>\$ 11,758,527</u>	<u>\$ 1,596,847</u>	<u>\$ 2,318,610</u>	<u>\$ 11,036,764</u>	<u>\$ 2,497,917</u>
<b>Business-Type Activities</b>					
Bonds and Notes Payable					
General Obligation Debt	\$ 10,537,571	\$ 520,000	\$ 681,104	\$ 10,376,467	\$ 681,330
Revenue Bonds	17,588,104	6,180,000	6,385,489	17,382,615	1,538,255
Discounts	(16,436)	-	(9,097)	(7,339)	-
Premiums	113,572	133,661	37,479	209,754	-
Total Bonds and Notes Payable	28,222,811	6,833,661	7,094,975	27,961,497	2,219,585
Compensated Absences	334,638	115,170	154,297	295,511	152,614
Customer Advances for Construction	16,928	-	8,787	8,141	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 28,574,377</u>	<u>\$ 6,948,831</u>	<u>\$ 7,258,059</u>	<u>\$ 28,265,149</u>	<u>\$ 2,372,199</u>

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**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 12/31/15</u>
<b>Governmental Activities</b>					
<b>Long-Term General Obligations</b>					
2007 General Obligation Promissory Notes	04/02/07	04/01/17	3.75-3.80%	\$ 1,770,000	\$ 615,000
2008 General Obligation Promissory Notes	05/21/08	04/01/18	3.50-3.60%	298,734	139,473
2009 State Trust Fund/Build America Bonds	12/01/09	03/15/19	4.50%*	916,160	423,524
2010 State Trust Fund/Build America Bonds	12/28/10	03/15/20	3.75%*	2,885,120	1,651,052
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	1,540,000
2013 General Obligation Promissory Notes	10/01/13	04/01/23	2.00-3.00%	3,553,090	2,309,003
2014 General Obligation Promissory Notes	08/18/14	04/01/24	2.00%	2,265,000	2,265,000
2015 General Obligation Promissory Notes	11/16/15	04/01/25	2.00%	1,120,000	1,120,000
Total Governmental Activities Long-Term General Obligations					<u>\$ 10,163,052</u>
<b>Business-Type Activities</b>					
<b>Long-Term General Obligations</b>					
2008 General Obligation Promissory Notes	05/21/08	04/01/18	3.50-3.60%	\$ 1,211,266	\$ 565,527
2010 Clean Water Fund Loan	01/13/10	05/01/29	3.15%	1,715,986	1,359,763
2010 State Trust Fund/Build America Bonds	12/28/10	03/15/29	3.75%*	2,373,875	1,885,537
2012 General Obligation Promissory Notes	11/13/12	04/01/22	1.00-2.00%	1,725,000	1,620,000
2013 Clean Water Fund Loan**	02/13/13	05/01/32	2.65%	3,289,151	3,014,642
2013 General Obligation Promissory Notes	10/01/13	04/01/23	2.00-3.00%	31,910	15,998
2014 General Obligation Promissory Notes	08/18/14	04/01/24	2.00%	1,570,000	1,395,000
2015 General Obligation Promissory Notes	11/16/15	04/01/25	2.00%	520,000	520,000
Total Business-Type Activities Long-Term General Obligations					<u>\$ 10,376,467</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.



**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 6 - LONG-TERM OBLIGATIONS (Continued)**

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

	Governmental Activities		Business-Type Activities		Total	
	General Obligation Debt		General Obligation Debt		General Obligation Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,046,892	\$ 245,836	\$ 681,330	\$ 297,693	\$ 2,728,222	\$ 543,529
2017	1,792,147	194,798	853,303	276,200	2,645,450	470,998
2018	1,511,630	148,976	941,410	281,521	2,453,040	430,497
2019	1,506,074	108,277	800,257	226,581	2,306,331	334,858
2020	1,431,309	67,635	805,822	204,997	2,237,131	272,632
2021-2025	1,875,000	68,531	3,811,576	688,370	5,686,576	756,901
2026-2030	-	-	2,054,841	231,272	2,054,841	231,272
2031-2032	-	-	427,928	11,396	427,928	11,396
	<u>\$ 10,163,052</u>	<u>\$ 834,053</u>	<u>\$ 10,376,467</u>	<u>\$ 2,218,030</u>	<u>\$ 20,539,519</u>	<u>\$ 3,052,083</u>

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 2015 equalized valuation of the Town as certified by the Wisconsin Department of Revenue is \$1,469,133,900. The legal debt limit and margin of indebtedness as of December 31, 2015, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Equalized Valuation of the Town		\$ 1,469,133,900
Statutory Limitation Percentage		5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes		<u>73,456,695</u>
Outstanding General Obligation Debt	\$ 20,539,519	
Funds Available in Debt Service Fund	<u>(971,185)</u>	
Net Outstanding General Obligation Debt Applicable to Debt Limit		<u>19,568,334</u>
Legal Margin for New Debt		<u>\$ 53,888,361</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 \$20,467,654. Principal and interest paid for the current year and total customer gross revenues were \$6,916,803 and \$8,613,000, respectively.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 6 - LONG-TERM OBLIGATIONS (Continued)**

**Revenue Debt (Continued)**

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

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/15</u>
<b>Water Utility</b>					
2007 Revenue Bonds	04/01/07	05/01/27	3.70-4.25%	\$ 1,983,529	\$ 1,417,415
2008 Revenue Bonds	05/21/08	05/01/28	2.80-4.50%	1,805,000	1,360,000
2012 Revenue Bonds	07/02/12	05/01/21	2.00-3.00%	1,367,863	949,457
2014 Revenue Bonds	02/03/14	05/01/23	2.00-2.55%	1,412,012	1,271,480
2015A Revenue Bonds	02/09/15	05/01/25	2.00-2.50%	2,788,652	2,771,150
2015B Revenue Bonds	11/16/15	05/01/35	0.60-3.50%	1,177,960	1,177,960
Total Water Utility Revenue Bonds					<u>\$ 8,947,462</u>
<b>Sewer Utility</b>					
2004 Revenue Bonds*	04/14/04	05/01/23	3.98%	\$ 1,595,338	\$ 167,872
2007 Revenue Bonds	04/01/07	05/01/27	3.70-4.25%	346,471	247,586
2009 Revenue Bonds*	11/25/09	05/01/29	2.67%	5,710,879	4,664,743
2012 Revenue Bonds	07/02/12	05/01/21	2.00-3.00%	757,137	525,542
2014 Revenue Bonds	02/03/14	05/01/23	2.00-2.55%	697,988	628,520
2015A Revenue Bonds	02/09/15	05/01/25	2.00-2.50%	1,991,348	1,978,850
2015B Revenue Bonds	11/16/15	05/01/35	0.60-3.50%	222,040	222,040
Total Sewer Utility Revenue Bonds					<u>\$ 8,435,153</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.

On February 9, 2015, the Town issued 2015A refunding revenue bonds. The Town refunded the 2005A and 2005B revenue bonds. The present value savings over the remaining life of the debt is \$488,165.

Debt service requirements to maturity are as follows:

	<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,538,255	\$ 459,002	\$ 1,997,257
2017	1,591,228	423,008	2,014,236
2018	1,629,414	382,050	2,011,464
2019	1,662,819	339,913	2,002,732
2020	1,716,449	296,430	2,012,879
2021-2025	6,202,005	912,640	7,114,645
2026-2030	2,602,445	232,271	2,834,716
2031-2035	440,000	39,725	479,725
	<u>\$ 17,382,615</u>	<u>\$ 3,085,039</u>	<u>\$ 20,467,654</u>

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

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**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, 2015 includes the following:

	<u>Governmental Activities</u>
Net Investment in Capital Assets	
Net Capital Assets	\$ 59,012,870
Less: Long-Term Debt Outstanding	(10,163,052)
Plus: Unspent Capital Related Debt Proceeds	341,882
Plus: Noncapital Related Debt	100,000
Less: Unamortized Debt Premium	(147,495)
Net Investment in Capital Assets	<u>49,144,205</u>
Restricted for:	
General Government	
Santa Float	<u>449</u>
Public Safety	
Public Protection	43,064
PD National Night Out	6,738
PD Neighborhood Watch	427
PD Community Relations	585
PD Equitable Sharing	12,895
K-9 Unit	1,003
Fire Safety House	1,911
FD Citizen Academy	316
FD Safety Day	1,429
FD Safety Hunt	1,479
FD Public Education	2
Fire Thermal Image Camera	3,952
Fire Defibrillators	137
First Responders	475
Annual Car Event	737
Total Public Safety	<u>75,150</u>
Public Works	
Garbage Collection	<u>163,732</u>

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

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**NOTE 7 - NET POSITION (Continued)**

**GOVERNMENT- WIDE STATEMENTS (Continued)**

	<u>Governmental Activities</u>
Restricted for:	
Leisure Activities	
Park Improvements	\$ 4,884
Friends of the Park	11,140
Disc Golf	42,140
Round Up Program	676
Boat Trailer Parking Fees	14,675
Indian Mound	208
Tree Planting	1,828
Trail Donations	54
Special Events	2,634
Open Space	71,408
Total Leisure Activities	<u>149,647</u>
Community Development	
Directional Signage	2,336
Sustainability	6,319
Total Community Development	<u>8,655</u>
Debt Service	<u>100,000</u>
Pension Benefits	<u>1,687,423</u>
Total Restricted	<u>2,185,056</u>
Unrestricted	<u>11,054,265</u>
Total Government-Wide Net Position	<u>\$ 62,383,526</u>

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**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:

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>
Net Investment in Capital Assets			
Plant in Service	\$ 39,975,044	\$ 31,612,211	\$ 16,281,308
Land	150,700	64,705	989,909
Construction Work in Progress	3,110	664,881	96,841
Accumulated Depreciation	<u>(11,894,515)</u>	<u>(10,126,507)</u>	<u>(3,312,651)</u>
Subtotal	<u>28,234,339</u>	<u>22,215,290</u>	<u>14,055,407</u>
Less: Related Long-Term Debt Outstanding			
Current Portion of General Obligation Debt	115,377	8,981	414,246
Current Portion of Revenue Bonds	830,699	409,301	-
General Obligation Debt Invested in Capital Assets	1,977,176	-	4,846,045
Revenue Bonds Invested in Capital Assets	8,116,763	3,193,237	-
Unamortized Premium	112,497	58,498	38,759
Unamortized Loss on Advance Refunding and Debt Discount	<u>(12,666)</u>	<u>(363)</u>	<u>-</u>
Subtotal	<u>11,139,846</u>	<u>3,669,654</u>	<u>5,299,050</u>
Add: Unspent Debt Proceeds	<u>728,138</u>	<u>269,496</u>	<u>175,532</u>
Net Investment in Capital Assets	<u><u>\$ 17,822,631</u></u>	<u><u>\$ 18,815,132</u></u>	<u><u>\$ 8,931,889</u></u>

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 7 - NET POSITION (Continued)**

**BUSINESS-TYPE ACTIVITIES (Continued)**

The following calculation supports the amount of restricted net position:

	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Stormwater Utility</b>
Restricted Net Position			
Restricted Assets			
Redemption Account	\$ 573,600	\$ 322,232	\$ -
Reserve Account	672,868	270,918	-
Unspent Debt Proceeds	728,482	269,427	-
Depreciation Account	65,404	764,129	1,199,802
Replacement Account	-	313,128	-
Construction Account	-	-	175,898
Pension Benefits	220,525	130,736	94,054
Total Restricted Assets	2,260,879	2,070,570	1,469,754
Less: Restricted Assets Not Funded by Revenues			
Reserve from Borrowing	(1,401,350)	(540,345)	-
Less: Current Liabilities Payable from Restricted Assets	(37,591)	(13,240)	-
Total Restricted Net Position	\$ 821,938	\$ 1,516,985	\$ 1,469,754
Purpose of Restricted Net Position			
Debt Service	\$ 536,009	\$ -	\$ -
Depreciation Account	65,404	764,129	1,199,802
Reserve Account	-	308,992	-
Replacement Account	-	313,128	-
Construction Account	-	-	175,898
Pension Benefits	220,525	130,736	94,054
Total Restricted Net Position	\$ 821,938	\$ 1,516,985	\$ 1,469,754

**NOTE 8 - INDIVIDUAL FUND BALANCE DISCLOSURE**

The following governmental funds have a deficit fund balance as of December 31, 2015:

TID #1	\$ 11,140
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The deficit will be recovered through future tax increments.

**NOTE 9 - DEFINED BENEFIT PENSION PLAN**

***Summary of Significant Accounting Policies***

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

## TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2015

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### NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

#### *General Information about the Pension Plan*

*Plan description.* The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer 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 WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

The WRS also provides death and disability benefits for employees.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

*Contributions.* Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, and executives and elected officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$415,898 in contributions from the Town.

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.8%	6.8%
Executives and Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions***

At December 31, 2015, the Town reported an asset of \$1,054,820 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the Town's proportion was 0.04294392%, which was a decrease of 0.00008609% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Town recognized pension expense of \$413,877.



**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experiences	\$ 152,916	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investment	510,795	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	245
Employer contributions subsequent to the measurement date	414,452	
<b>Total</b>	<b>\$ 1,078,163</b>	<b>\$ 245</b>

The \$414,452 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<b>Year ending December 31,</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflows of Resources</b>
2016	\$ 130,549	\$ 46
2017	130,549	46
2018	130,549	46
2019	130,549	46
2020	130,549	46
Thereafter	10,966	15

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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

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

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

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

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
Town's proportionate share of the net pension liability (asset)	\$ 2,975,829	(\$ 1,054,820)	(\$ 4,238,064)

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

***Payables to the Pension Plan***

The Town is required to remit the monthly required contribution for both the employee and Town portions by the last day of the following month. The Town amount due to the pension plan as of December 31, 2015 was \$90,442.

**NOTE 10 - 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 two years.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

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**NOTE 11 - 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, 2015, 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.

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

**NOTE 12 - 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, 2015:

	<u>Unaudited</u>
Residential	7,597
Multi-Family	221
Commercial	735
Industrial	24
Public authority	<u>28</u>
Total	<u>8,605</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	\$ 8,613,000
Investment income	51,808
Less: Operation and maintenance expense	<u>(5,842,074)</u>
Computed Net Earnings	<u>\$ 2,822,734</u>
Subsequent year revenue bond debt service	\$ 1,997,257
Less: GCMW debt service not subject to coverage	<u>(423,340)</u>
Total debt service subject to coverage	1,573,917
Coverage factor required by debt agreement	<u>1.25</u>
Required Net Earnings	<u>\$ 1,967,396</u>

The utilities have met their debt coverage for 2015.

## TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2015

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### NOTE 13 - 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 14 - UPCOMING ACCOUNTING PRONOUNCEMENT

The GASB issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 defines fair value, how fair value is measured, what assets and liabilities should be measured at fair value, and what information about fair value should be reported in the notes to the financial statements. Additionally, GASB Statement No. 72 utilizes a three-level hierarchy for measuring fair value. The Commission 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, 2016.

### NOTE 15 - SUBSEQUENT EVENTS

On April 5, 2016, the Town will have a referendum to approve incorporating a portion of the Town. The plan is to incorporate the remaining portion of the Town before the end of 2016. If approved, the period between incorporating a portion of the Town and incorporating the remaining unincorporated portion of the Town will require additional reporting requirements for the two entities.

In 2016, Town Board approved a 3% increase in Sewer Utility rate. The increase was effective January 15, 2016.

On March 15, 2016, the Joint Review Board for Tax Incremental District #2 approved the Town of Menasha's second TID. The project encompasses 51.8 acres of land located in the McMahon Business Park and estimates a \$12 million construction increment. One of the main projects in this TID will be the Menasha Office One, LLC, (WOW Logistics) corporate headquarters, which will be constructed by the end of 2017.

**TOWN OF MENASHA, WISCONSIN**

Notes to Financial Statements

December 31, 2015

**NOTE 16 - RESTATEMENT OF BEGINNING NET POSITION**

The restatement of net position in the proprietary and government-wide financial statements was the result of implementing Governmental Accounting Standards Board Statements No. 68 and No. 71, which require government entities to recognize their pension benefit obligation for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The following table shows the effect of the implementation:

	Government-Wide		Proprietary Funds		
	Governmental Activities	Business-type Activities	Water Utility	Sewer Utility	Storm Water Utility
Net Position - Beginning	\$ 58,838,600	\$ 56,049,974	\$ 21,006,620	\$ 22,729,289	\$ 12,314,065
Pension Asset	1,342,237	354,221	175,414	103,993	74,814
Pension Plan - Contributions After Measurement Date	329,058	86,839	43,004	25,494	18,341
Net Position - Restated	<u>\$ 60,509,895</u>	<u>\$ 56,491,034</u>	<u>\$ 21,225,038</u>	<u>\$ 22,858,776</u>	<u>\$ 12,407,220</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF MENASHA**  
Schedules of Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions  
Wisconsin Retirement System  
Last 10 Fiscal Years\*

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**Schedule of Proportionate Share of the Net Pension Liability (Asset)**

	2015
Town's proportion of the net pension liability (asset)	0.04294392%
Town's propoartionate share of the net pension liability (asset)	\$ (1,054,820)
Town's covered-employee payroll	\$ 4,979,203
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-21.18%
Plan fiduciary net position as a percentage fo the total pension liability (asset)	102.74%

**Schedule of Employer Contributions**

	2015
Contractually required contributions	\$ 415,898
Contributions in relation to the contractually required contributions	(415,898)
Contribution deficiency (excess)	\$ -
Town's covered-employee payroll	\$ 4,979,203
Contributions as a percentage of covered-employee payroll	8.35%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Presented data is all that is available for 2015. Ten years of data will be accumulated beginning with 2015.



**TOWN OF MENASHA, WISCONSIN**  
Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual  
General Fund  
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes				
Local Tax Levy	\$ 6,150,674	\$ 6,150,674	\$ 6,145,963	\$ (4,711)
Mobile Home Taxes	60,000	60,000	60,114	114
Other Taxes	600	600	2,956	2,356
Total Taxes	<u>6,211,274</u>	<u>6,211,274</u>	<u>6,209,033</u>	<u>(2,241)</u>
Intergovernmental				
State Aid - Shared Taxes	341,340	341,340	341,971	631
State Aid - Computer Exempt	205,000	205,000	214,939	9,939
State Aid - Fire Insurance Dues	57,808	57,808	54,936	(2,872)
State Aid - General Transportation	576,771	576,771	575,655	(1,116)
State Aid - Other Transportation	70,744	70,744	70,191	(553)
State Aid - Other	69,549	69,549	68,713	(836)
Federal Aid - Other	73,689	81,206	82,541	1,335
Total Intergovernmental	<u>1,394,901</u>	<u>1,402,418</u>	<u>1,408,946</u>	<u>6,528</u>
Licenses and Permits				
Tavern Operators Licenses	12,310	12,310	22,433	10,123
Liquor and Malt Beverage Licenses	3,500	3,500	4,121	621
Cigarette Licenses	1,110	1,110	1,059	(51)
Mobile Home Park	700	700	700	-
Dog and Cat Licenses	9,900	9,900	9,317	(583)
Cable TV Franchise Fee	250,000	250,000	238,719	(11,281)
Other Miscellaneous Licenses	1,190	1,190	1,873	683
Amusement Licenses	2,750	2,750	2,880	130
Building Permits	85,000	85,000	107,911	22,911
Electrical Permits	23,000	26,548	37,259	10,711
Plumbing Permits	12,000	12,000	17,891	5,891
Heating Permits	17,000	17,000	27,040	10,040
Sign Permits	2,500	2,500	3,050	550
State Permits	3,200	3,200	4,590	1,390
Zoning Permits	16,000	16,000	34,090	18,090
Tank Inspection	3,600	3,600	4,700	1,100
Non-Metallic Mining Permit	4,017	4,017	3,161	(856)
Fire Protection Permits	750	750	2,911	2,161
Street Excavation	3,000	3,000	4,975	1,975
Total Licenses and Permits	<u>451,527</u>	<u>455,075</u>	<u>528,680</u>	<u>73,605</u>
Fines and Forfeits				
Court Penalties and Costs	161,000	164,895	176,234	11,339
Parking Violations	12,500	12,500	10,625	(1,875)
Other	7,500	7,500	8,731	1,231
Total Fines and Forfeits	<u>181,000</u>	<u>184,895</u>	<u>195,590</u>	<u>10,695</u>

**TOWN OF MENASHA, WISCONSIN**  
Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual  
General Fund  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
Public Charges for Services				
Real Estate Inquiries	\$ 14,000	\$ 14,000	\$ 13,530	\$ (470)
License Publication Fees	1,375	1,375	1,265	(110)
Weed Control Fees	1,200	1,200	280	(920)
Copying Fees	200	200	423	223
Copy Fees-Police	1,000	1,000	1,432	432
Copy Fees-Fire	25	25	3	(22)
Recreation	68,971	68,971	73,531	4,560
False Alarm Fees-Police	900	900	750	(150)
False Alarm Fees-Fire	2,500	2,500	10,058	7,558
Fire Services-Prevention Visits	750	750	125	(625)
Fire Services-Vehicle Response	14,000	14,000	20,299	6,299
Other	17,266	17,266	22,591	5,325
Total Public Charges for Services	<u>122,187</u>	<u>122,187</u>	<u>144,287</u>	<u>22,100</u>
Special Assessments				
Special Assessments	<u>17,323</u>	<u>17,323</u>	<u>16,283</u>	<u>(1,040)</u>
Investment Income				
Investment Income	<u>50,000</u>	<u>50,000</u>	<u>65,074</u>	<u>15,074</u>
Miscellaneous				
Sale of Town Property	-	-	18,246	18,246
Rental Income	251,751	151,751	161,794	10,043
Miscellaneous	18,900	18,900	79,593	60,693
Total Miscellaneous	<u>270,651</u>	<u>170,651</u>	<u>259,633</u>	<u>88,982</u>
<b>Total Revenues</b>	<u>8,698,863</u>	<u>8,613,823</u>	<u>8,827,526</u>	<u>213,703</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In-Other Funds	347,198	363,769	363,206	(563)
Transfers In-Payment in Lieu of Taxes	<u>525,000</u>	<u>525,000</u>	<u>544,174</u>	<u>19,174</u>
<b>Total Other Financing Sources</b>	<u>872,198</u>	<u>888,769</u>	<u>907,380</u>	<u>18,611</u>
<b>Total General Fund Revenues and Other Financing Sources</b>	<u>\$ 9,571,061</u>	<u>\$ 9,502,592</u>	<u>\$ 9,734,906</u>	<u>\$ 232,314</u>

**TOWN OF MENASHA, WISCONSIN**  
Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual  
General Fund  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>				
General Government				
Town Board	\$ 39,413	\$ 39,413	\$ 37,592	\$ 1,821
Administrator	237,302	240,996	216,260	24,736
Town Clerk	79,914	81,596	81,471	125
Finance	249,316	254,177	188,582	65,595
Elections	13,030	13,030	6,279	6,751
Information Technology	295,379	297,137	263,719	33,418
Assessor	127,575	127,575	40,264	87,311
Municipal Complex	242,398	243,059	232,185	10,874
Legal Counsel	91,904	91,904	87,418	4,486
Judicial	94,617	99,683	99,683	-
Other General Government	378,353	273,899	208,401	65,498
Total General Government	<u>1,849,201</u>	<u>1,762,469</u>	<u>1,461,854</u>	<u>300,615</u>
Public Safety				
Police	3,111,466	3,187,014	3,185,703	1,311
Fire	1,043,598	1,074,998	955,860	119,138
Inspections	146,877	153,474	153,474	-
Total Public Safety	<u>4,301,941</u>	<u>4,415,486</u>	<u>4,295,037</u>	<u>120,449</u>
Public Works				
Street Maintenance	1,822,255	1,833,274	1,622,123	211,151
Transportation Services	203,643	212,022	212,022	-
Weed and Nuisance	1,000	1,000	192	808
Total Public Works	<u>2,026,898</u>	<u>2,046,296</u>	<u>1,834,337</u>	<u>211,959</u>
Leisure Activities				
Parks and Public Areas	586,273	592,725	529,323	63,402
Recreation	267,250	269,814	253,249	16,565
Total Leisure Activities	<u>853,523</u>	<u>862,539</u>	<u>782,572</u>	<u>79,967</u>
Conservation and Development				
Community Development	151,384	138,988	124,920	14,068
Total Expenditures	<u>9,182,947</u>	<u>9,225,778</u>	<u>8,498,720</u>	<u>727,058</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	592,684	592,684	594,021	(1,337)
Total General Fund Expenditures and Other Financing Uses	<u>\$ 9,775,631</u>	<u>\$ 9,818,462</u>	<u>\$ 9,092,741</u>	<u>\$ 725,721</u>

**TOWN OF MENASHA, WISCONSIN**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2015

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**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, 2015.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET**

The Town had no significant unfavorable expenditure budget variances for the year ended December 31, 2015.

**DEFINED BENEFIT PENSION PLAN**

*Changes of benefit terms.* There were no changes of benefit terms for any participating employer in WRS.

*Changes of assumptions.* There were no changes in the assumptions.

## SUPPLEMENTARY INFORMATION

**TOWN OF MENASHA, WISCONSIN**

Combining Balance Sheet

Nonmajor Governmental Funds

As of December 31, 2015

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	<u>Garbage Collection/ Recycling</u>	<u>Other Special Revenue</u>	<u>Total Non-Major Funds</u>
<b>ASSETS</b>			
Cash and Investments	\$ 248,807	\$ 237,129	\$ 485,936
Receivables			
Taxes	943,200	-	943,200
Accounts	12,170	1,762	13,932
<b>TOTAL ASSETS</b>	<u>\$ 1,204,177</u>	<u>\$ 238,891</u>	<u>\$ 1,443,068</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	<u>\$ 97,245</u>	<u>\$ 4,990</u>	<u>\$ 102,235</u>
 Deferred Inflows of Resources:			
Taxes Levied for Subsequent Periods	<u>943,200</u>	<u>-</u>	<u>943,200</u>
 Fund Balances			
Restricted	<u>163,732</u>	<u>233,901</u>	<u>397,633</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,204,177</u>	<u>\$ 238,891</u>	<u>\$ 1,443,068</u>

**TOWN OF MENASHA, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015

	Garbage Collection/ Recycling	Grants	GREAT	Other Special Revenue	Total Non-Major Funds
<b>REVENUES</b>					
Intergovernmental	\$ 59,717	\$ 18,624	\$ -	\$ 17,811	\$ 96,152
Public Charges for Services	929,810	-	-	83,693	1,013,503
Investment Income	630	-	-	343	973
Miscellaneous	22,507	-	-	38,281	60,788
<b>Total Revenues</b>	<u>1,012,664</u>	<u>18,624</u>	<u>-</u>	<u>140,128</u>	<u>1,171,416</u>
<b>EXPENDITURES</b>					
General Government	-	-	-	1,280	1,280
Public Safety	-	-	526	14,165	14,691
Public Works	891,751	-	-	-	891,751
Liesure Activities	-	-	-	1,471	1,471
Conservation and Development	-	3,449	-	-	3,449
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>891,751</u>	<u>3,449</u>	<u>526</u>	<u>16,916</u>	<u>912,642</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>120,913</u>	<u>15,175</u>	<u>(526)</u>	<u>123,212</u>	<u>258,774</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	763	763
Transfers Out	(179,807)	(15,175)	(263)	(78,146)	(273,391)
<b>Total Other Financing Sources (Uses)</b>	<u>(179,807)</u>	<u>(15,175)</u>	<u>(263)</u>	<u>(77,383)</u>	<u>(272,628)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(58,894)	-	(789)	45,829	(13,854)
<b>FUND BALANCES - BEGINNING</b>	<u>222,626</u>	<u>-</u>	<u>789</u>	<u>188,072</u>	<u>411,487</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 163,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,901</u>	<u>\$ 397,633</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

	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 1,831,575	\$ 1,831,575	\$ 1,831,575	\$ -
Special Assessments	34,757	34,757	65,553	30,796
Intergovernmental	31,425	31,425	31,391	(34)
Public Charges for Services	13,000	13,000	40,272	27,272
Investment Income	127,000	127,000	22,373	(104,627)
<b>Total Revenues</b>	<u>2,037,757</u>	<u>2,037,757</u>	<u>1,991,164</u>	<u>(46,593)</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	1,908,742	1,908,742	1,811,200	97,542
Interest and Fiscal Charges	283,549	283,549	282,544	1,005
<b>Total Expenditures</b>	<u>2,192,291</u>	<u>2,192,291</u>	<u>2,093,744</u>	<u>98,547</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(154,534)</u>	<u>(154,534)</u>	<u>(102,580)</u>	<u>51,954</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	79,044	79,044	110,558	31,514
Transfers Out	(617)	(617)	(636)	(19)
<b>Total Other Financing Sources (Uses)</b>	<u>78,427</u>	<u>78,427</u>	<u>109,922</u>	<u>31,495</u>
<b>NET CHANGE IN FUND BALANCE</b>	(76,107)	(76,107)	7,342	83,449
<b>FUND BALANCE - BEGINNING</b>	<u>963,843</u>	<u>963,843</u>	<u>963,843</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 887,736</u>	<u>\$ 887,736</u>	<u>\$ 971,185</u>	<u>\$ 83,449</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, 2015

	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Investment Income	\$ 500	\$ 500	\$ 1,167	\$ 667
Miscellaneous	-	-	921,387	921,387
<b>Total Revenues</b>	<u>500</u>	<u>500</u>	<u>922,554</u>	<u>922,054</u>
<b>EXPENDITURES</b>				
Debt Service				
Interest and Fiscal Charges	-	-	37,168	(37,168)
Capital Outlay	1,246,314	1,305,981	1,519,736	(213,755)
<b>Total Expenditures</b>	<u>1,246,314</u>	<u>1,305,981</u>	<u>1,651,145</u>	<u>(345,164)</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(1,245,814)</u>	<u>(1,305,481)</u>	<u>(728,591)</u>	<u>576,890</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Long-Term Debt	1,307,814	1,356,594	1,120,000	(236,594)
Bond Premium	-	-	21,390	21,390
Transfers Out	(200,000)	(200,000)	(200,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,107,814</u>	<u>1,156,594</u>	<u>941,390</u>	<u>(215,204)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(138,000)	(148,887)	212,799	361,686
<b>FUND BALANCE - BEGINNING</b>	<u>799,013</u>	<u>799,013</u>	<u>799,013</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 661,013</u>	<u>\$ 650,126</u>	<u>\$ 1,011,812</u>	<u>\$ 361,686</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Investment Income	\$ 20,000	\$ 20,000	\$ 13,239	\$ (6,761)
<b>EXPENDITURES</b>				
Capital Outlay	363,224	363,224	325,814	37,410
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(343,224)</u>	<u>(343,224)</u>	<u>(312,575)</u>	<u>30,649</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	35,000	35,000	60,657	25,657
Transfers In	593,521	593,521	593,521	-
<b>Total Other Financing Sources</b>	<u>628,521</u>	<u>628,521</u>	<u>654,178</u>	<u>25,657</u>
<b>NET CHANGE IN FUND BALANCE</b>	285,297	285,297	341,603	56,306
<b>FUND BALANCE - BEGINNING</b>	<u>2,362,688</u>	<u>2,362,688</u>	<u>2,362,688</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,647,985</u>	<u>\$ 2,647,985</u>	<u>\$ 2,704,291</u>	<u>\$ 56,306</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 59,700	\$ 59,700	\$ 59,717	\$ 17
Public Charges for Services	861,798	922,250	929,810	7,560
Investment Income	1,700	1,700	630	(1,070)
Miscellaneous	1,990	1,990	22,507	20,517
<b>Total Revenues</b>	<u>925,188</u>	<u>985,640</u>	<u>1,012,664</u>	<u>27,024</u>
<b>EXPENDITURES</b>				
Public Works	887,807	887,807	891,751	(3,944)
Capital Outlay	14,207	14,207	-	14,207
<b>Total Expenditures</b>	<u>902,014</u>	<u>902,014</u>	<u>891,751</u>	<u>10,263</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>23,174</u>	<u>83,626</u>	<u>120,913</u>	<u>37,287</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(180,030)</u>	<u>(180,030)</u>	<u>(179,807)</u>	<u>223</u>
<b>NET CHANGE IN FUND BALANCE</b>	(156,856)	(96,404)	(58,894)	37,510
<b>FUND BALANCE - BEGINNING</b>	<u>222,626</u>	<u>222,626</u>	<u>222,626</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 65,770</u>	<u>\$ 126,222</u>	<u>\$ 163,732</u>	<u>\$ 37,510</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 18,624	\$ 18,624	\$ 18,624	\$ -
<b>EXPENDITURES</b>				
Conservation and Development	8,624	8,624	3,449	5,175
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>10,000</u>	<u>10,000</u>	<u>15,175</u>	<u>5,175</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(15,175)</u>	<u>(5,175)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Public Safety	-	-	526	(526)
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	-	-	(526)	(526)
<b>OTHER FINANCING USES</b>				
Transfers Out	-	-	(263)	(263)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(789)	(789)
<b>FUND BALANCE - BEGINNING</b>	789	789	789	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 789</u>	<u>\$ 789</u>	<u>\$ -</u>	<u>\$ (789)</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, 2015

	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 17,811	17,811
Public Charges for Services	27,500	27,500	83,693	\$ 56,193
Investment Income	250	250	343	93
Miscellaneous	43,755	43,755	38,281	(5,474)
<b>Total Revenues</b>	<u>71,505</u>	<u>71,505</u>	<u>140,128</u>	<u>68,623</u>
<b>EXPENDITURES</b>				
General Government	1,200	1,200	1,280	(80)
Public Safety	27,400	27,400	14,165	13,235
Liesure Activities	7,055	7,055	1,471	5,584
<b>Total Expenditures</b>	<u>35,655</u>	<u>35,655</u>	<u>16,916</u>	<u>18,739</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>35,850</u>	<u>35,850</u>	<u>123,212</u>	<u>87,362</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	500	500	763	263
Transfers Out	(20,595)	(37,166)	(78,146)	(40,980)
<b>Total Other Financing Sources (Uses)</b>	<u>(20,095)</u>	<u>(36,666)</u>	<u>(77,383)</u>	<u>(40,717)</u>
<b>NET CHANGE IN FUND BALANCE</b>	15,755	(816)	45,829	46,645
<b>FUND BALANCE - BEGINNING</b>	<u>188,072</u>	<u>188,072</u>	<u>188,072</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 203,827</u>	<u>\$ 187,256</u>	<u>\$ 233,901</u>	<u>\$ 46,645</u>

TOWN OF MENASHA, WISCONSIN  
Combining Balance Sheet Schedule  
Nonmajor Other Special Revenue Funds  
As of December 31, 2015

	<u>Parks Improve- ments</u>	<u>Parks Impact Fees</u>	<u>Public Protection</u>	<u>PD National Night Out</u>	<u>PD Neighborhood Watch</u>	<u>PD Community Relations</u>	<u>PD Equitable Sharing</u>	<u>PD K-9 Unit</u>	<u>PALS</u>	<u>Friends of the Park</u>	<u>PK Disc Golf</u>
<b>ASSETS</b>											
Cash and Investments	\$ 4,884	\$ -	\$ 43,115	\$ 6,738	\$ 427	\$ 585	\$ 17,792	\$ 1,003	\$ -	\$ 11,140	\$ 42,140
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 4,884</u>	<u>\$ -</u>	<u>\$ 43,115</u>	<u>\$ 6,738</u>	<u>\$ 427</u>	<u>\$ 585</u>	<u>\$ 17,792</u>	<u>\$ 1,003</u>	<u>\$ -</u>	<u>\$ 11,140</u>	<u>\$ 42,140</u>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities											
Accounts Payable	\$ -	\$ -	\$ 51	\$ -	\$ -	\$ -	\$ 4,897	\$ -	\$ -	\$ -	\$ -
Fund Balance											
Restricted	4,884	-	43,064	6,738	427	585	12,895	1,003	-	11,140	42,140
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,884</u>	<u>\$ -</u>	<u>\$ 43,115</u>	<u>\$ 6,738</u>	<u>\$ 427</u>	<u>\$ 585</u>	<u>\$ 17,792</u>	<u>\$ 1,003</u>	<u>\$ -</u>	<u>\$ 11,140</u>	<u>\$ 42,140</u>

TOWN OF MENASHA, WISCONSIN  
 Combining Balance Sheet Schedule  
 Nonmajor Other Special Revenue Funds  
 As of December 31, 2015

	PK Round Up Program	PK Dance Competition	PK Boat Trailer Parking Fees	PK Indian Mound	PK Tree Planting	Trall Donations	Fire Safety House	FD Citizen Academy	FD Safety Day	FD FF in PK Safety Hunt	FD Public Education
<b>ASSETS</b>											
Cash and Investments	\$ 676	\$ -	\$ 12,955	\$ 208	\$ 1,828	\$ 54	\$ 1,911	\$ 316	\$ 1,429	\$ 1,479	\$ 2
Accounts Receivable	-	-	1,762	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 676</u>	<u>\$ -</u>	<u>\$ 14,717</u>	<u>\$ 208</u>	<u>\$ 1,828</u>	<u>\$ 54</u>	<u>\$ 1,911</u>	<u>\$ 316</u>	<u>\$ 1,429</u>	<u>\$ 1,479</u>	<u>\$ 2</u>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities											
Accounts Payable	\$ -	\$ -	\$ 42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance											
Restricted	676	-	14,675	208	1,828	54	1,911	316	1,429	1,479	2
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 676</u>	<u>\$ -</u>	<u>\$ 14,717</u>	<u>\$ 208</u>	<u>\$ 1,828</u>	<u>\$ 54</u>	<u>\$ 1,911</u>	<u>\$ 316</u>	<u>\$ 1,429</u>	<u>\$ 1,479</u>	<u>\$ 2</u>



TOWN OF MENASHA, WISCONSIN  
 Combining Balance Sheet Schedule  
 Nonmajor Other Special Revenue Funds  
 As of December 31, 2015

	Fire Thermal Image Camera	Fire Defibrillators	1st Responders	Open Space	Santa Float	Annual Car Event	Directional Signage	Sustain- ability	Special Events	Total Non-Major Other Special Revenue Funds
<b>ASSETS</b>										
Cash and Investments	\$ 3,952	\$ 137	\$ 475	\$ 71,408	\$ 449	\$ 737	\$ 2,336	\$ 6,319	\$ 2,634	\$ 237,129
Accounts Receivable	-	-	-	-	-	-	-	-	-	1,762
<b>TOTAL ASSETS</b>	<u>\$ 3,952</u>	<u>\$ 137</u>	<u>\$ 475</u>	<u>\$ 71,408</u>	<u>\$ 449</u>	<u>\$ 737</u>	<u>\$ 2,336</u>	<u>\$ 6,319</u>	<u>\$ 2,634</u>	<u>\$ 238,891</u>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,990
Fund Balance										
Restricted	3,952	137	475	71,408	449	737	2,336	6,319	2,634	233,901
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,952</u>	<u>\$ 137</u>	<u>\$ 475</u>	<u>\$ 71,408</u>	<u>\$ 449</u>	<u>\$ 737</u>	<u>\$ 2,336</u>	<u>\$ 6,319</u>	<u>\$ 2,634</u>	<u>\$ 238,891</u>

**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, 2015

	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
<b>REVENUES</b>											
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,811	\$ -	\$ -	\$ -	\$ -
Public Charges for Services	-	55,135	11,724	-	-	-	-	-	-	-	-
Investment Income	7	-	63	10	-	1	19	1	-	16	62
Miscellaneous	-	-	-	5,861	-	340	-	-	-	3,467	20,202
<b>Total Revenues</b>	<b>7</b>	<b>55,135</b>	<b>11,787</b>	<b>5,871</b>	<b>-</b>	<b>341</b>	<b>17,830</b>	<b>1</b>	<b>-</b>	<b>3,483</b>	<b>20,264</b>
<b>EXPENDITURES</b>											
General Government	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	5,869	-	789	6,337	-	-	-	-
Leisure Activities	-	-	-	-	-	-	-	-	-	827	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,869</b>	<b>-</b>	<b>789</b>	<b>6,337</b>	<b>-</b>	<b>-</b>	<b>827</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7</b>	<b>55,135</b>	<b>11,787</b>	<b>2</b>	<b>-</b>	<b>(448)</b>	<b>11,493</b>	<b>1</b>	<b>-</b>	<b>2,656</b>	<b>20,264</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	-	-	-	263	-	-	-	-	-
Transfers Out	-	(55,135)	(11,200)	-	-	-	-	-	(346)	-	(11,230)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(55,135)</b>	<b>(11,200)</b>	<b>-</b>	<b>-</b>	<b>263</b>	<b>-</b>	<b>-</b>	<b>(346)</b>	<b>-</b>	<b>(11,230)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>7</b>	<b>-</b>	<b>587</b>	<b>2</b>	<b>-</b>	<b>(185)</b>	<b>11,493</b>	<b>1</b>	<b>(346)</b>	<b>2,656</b>	<b>9,034</b>
<b>FUND BALANCES - BEGINNING</b>	<b>4,877</b>	<b>-</b>	<b>42,477</b>	<b>6,736</b>	<b>427</b>	<b>770</b>	<b>1,402</b>	<b>1,002</b>	<b>346</b>	<b>8,484</b>	<b>33,106</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 4,884</b>	<b>\$ -</b>	<b>\$ 43,064</b>	<b>\$ 6,738</b>	<b>\$ 427</b>	<b>\$ 585</b>	<b>\$ 12,895</b>	<b>\$ 1,003</b>	<b>\$ -</b>	<b>\$ 11,140</b>	<b>\$ 42,140</b>

**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, 2015

	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
<b>REVENUES</b>											
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Charges for Services	-	-	-	-	-	-	-	-	-	-	-
Investment Income	1	-	21	1	3	-	3	-	2	2	-
Miscellaneous	162	-	3,334	-	-	-	100	-	863	837	-
<b>Total Revenues</b>	<u>163</u>	<u>-</u>	<u>3,355</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>103</u>	<u>-</u>	<u>865</u>	<u>839</u>	<u>-</u>
<b>EXPENDITURES</b>											
General Government	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	104	-	485	581	-
Leisure Activities	-	-	42	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104</u>	<u>-</u>	<u>485</u>	<u>581</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>163</u>	<u>-</u>	<u>3,313</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>380</u>	<u>258</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	(235)	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(235)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>163</u>	<u>(235)</u>	<u>3,313</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>380</u>	<u>258</u>	<u>-</u>
<b>FUND BALANCES - BEGINNING</b>	<u>513</u>	<u>235</u>	<u>11,362</u>	<u>207</u>	<u>1,825</u>	<u>54</u>	<u>1,912</u>	<u>316</u>	<u>1,049</u>	<u>1,221</u>	<u>2</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 676</u>	<u>\$ -</u>	<u>\$ 14,675</u>	<u>\$ 208</u>	<u>\$ 1,828</u>	<u>\$ 54</u>	<u>\$ 1,911</u>	<u>\$ 316</u>	<u>\$ 1,429</u>	<u>\$ 1,479</u>	<u>\$ 2</u>

**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, 2015

	Fire Thermal Image Camera	Fire Defibrillators	1st Responders	Open Space	Santa Float	Annual Car Event	Directional Signage	Sustain- ability	Special Events	Total Non-Major Other Special Revenue Funds
<b>REVENUES</b>										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,811
Public Charges for Services	-	-	-	16,834	-	-	-	-	-	83,693
Investment Income	6	-	1	106	1	1	3	9	4	343
Miscellaneous	1,339	-	-	-	691	-	-	1,085	-	38,281
<b>Total Revenues</b>	<b>1,345</b>	<b>-</b>	<b>1</b>	<b>16,940</b>	<b>692</b>	<b>1</b>	<b>3</b>	<b>1,094</b>	<b>4</b>	<b>140,128</b>
<b>EXPENDITURES</b>										
General Government	-	-	-	-	1,280	-	-	-	-	1,280
Public Safety	-	-	-	-	-	-	-	-	-	14,165
Leisure Activities	-	-	-	-	-	-	-	602	-	1,471
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,280</b>	<b>-</b>	<b>-</b>	<b>602</b>	<b>-</b>	<b>16,916</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,345</b>	<b>-</b>	<b>1</b>	<b>16,940</b>	<b>(588)</b>	<b>1</b>	<b>3</b>	<b>492</b>	<b>4</b>	<b>123,212</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	-	-	-	-	-	-	500	-	763
Transfers Out	-	-	-	-	-	-	-	-	-	(78,146)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>(77,383)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,345</b>	<b>-</b>	<b>1</b>	<b>16,940</b>	<b>(588)</b>	<b>1</b>	<b>3</b>	<b>992</b>	<b>4</b>	<b>45,829</b>
<b>FUND BALANCES - BEGINNING</b>	<b>2,607</b>	<b>137</b>	<b>474</b>	<b>54,468</b>	<b>1,037</b>	<b>736</b>	<b>2,333</b>	<b>5,327</b>	<b>2,630</b>	<b>188,072</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 3,952</b>	<b>\$ 137</b>	<b>\$ 475</b>	<b>\$ 71,408</b>	<b>\$ 449</b>	<b>\$ 737</b>	<b>\$ 2,336</b>	<b>\$ 6,319</b>	<b>\$ 2,634</b>	<b>\$ 233,901</b>

**TOWN OF MENASHA, WISCONSIN**  
Statement of Changes in Assets and Liabilities  
Fiduciary Fund  
For the Year Ended December 31, 2015

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TAX COLLECTION FUND	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<b>ASSETS</b>				
Cash and Investments	\$ 13,167,080	\$ 13,844,272	\$ 13,167,080	\$ 13,844,272
Receivables - Taxes	10,910,194	10,399,415	10,910,194	10,399,415
<b>Total Assets</b>	<b>\$ 24,077,274</b>	<b>\$ 24,243,687</b>	<b>\$ 24,077,274</b>	<b>\$ 24,243,687</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 8,181	\$ 17,702	\$ 8,181	\$ 17,702
Due to Other Governments	24,069,093	24,225,985	24,069,093	24,225,985
<b>Total Liabilities</b>	<b>\$ 24,077,274</b>	<b>\$ 24,243,687</b>	<b>\$ 24,077,274</b>	<b>\$ 24,243,687</b>

## STATISTICAL SECTION

# TOWN OF MENASHA, WISCONSIN

## Statistical Section

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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**

### **Page**

#### **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.

114-118

#### **Revenue Capacity**

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

119-122

#### **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.

123-127

#### **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.

128-132

#### **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.

133-135

#### **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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Capital assets	\$ 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	\$ 49,144,205
Restricted	2,101,821	2,233,155	2,454,243	2,333,154	2,156,486	508,253	528,410	452,185	2,082,782	2,185,056
Unrestricted	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	11,054,265
Total governmental activities net position	\$ 54,352,353	\$ 56,113,329	\$ 59,818,232	\$ 53,762,925	\$ 55,552,517	\$ 56,714,129	\$ 57,410,032	\$ 58,040,087	\$ 60,509,895	\$ 62,383,526
<b>Business-type Activities</b>										
Capital assets	\$ 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	\$ 45,569,652
Restricted	2,666,489	3,128,129	5,730,405	4,985,371	5,561,773	5,267,200	4,140,739	3,162,602	4,296,970	3,808,677
Unrestricted	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	8,975,939
Total business-type activities net position	\$ 40,504,802	\$ 40,903,544	\$ 40,801,413	\$ 48,442,427	\$ 49,162,097	\$ 49,747,863	\$ 52,107,041	\$ 54,590,703	\$ 56,491,034	\$ 58,354,268
<b>Primary Government</b>										
Capital assets	\$ 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	\$ 94,713,857
Restricted	4,768,310	5,361,284	8,184,648	7,318,525	7,718,259	5,775,453	4,669,149	3,614,787	6,379,752	5,993,733
Unrestricted	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	20,030,204
Total primary government net position	\$ 94,857,155	\$ 97,016,873	\$ 100,619,645	\$ 102,205,352	\$ 104,714,614	\$ 106,461,992	\$ 109,517,073	\$ 112,630,790	\$ 117,000,929	\$ 120,737,794

\* 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 3

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
General government	\$ 116,921	\$ 117,164	\$ 95,571	\$ 103,640	\$ 106,847	\$ 97,527	\$ 95,254	\$ 88,380	\$ 139,072	\$ 141,517
Public safety	451,740	514,172	427,633	405,067	476,850	395,555	407,853	510,322	751,499	528,309
Public works	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	2,805,769
Leisure activities	433,813	688,207	105,340	443,013	221,726	163,430	177,202	185,076	295,626	362,628
Conservation and development	32,576	26,043	24,354	15,105	45,790	16,879	21,330	33,768	47,564	55,516
Interest and fiscal charges	-	-	-	-	-	21,501	49,621	44,432	36,400	31,391
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 6,553,037</b>	<b>\$ 4,450,345</b>	<b>\$ 2,876,674</b>	<b>\$ 2,890,879</b>	<b>\$ 3,565,334</b>	<b>\$ 2,596,570</b>	<b>\$ 2,729,803</b>	<b>\$ 2,622,523</b>	<b>\$ 3,044,583</b>	<b>\$ 3,925,130</b>
<b>Business-type activities:</b>										
Water utility	\$ 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	\$ 5,647,238
Sewer utility	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	3,547,394
Storm water utility*	-	-	-	744,687	2,131,593	1,400,033	1,670,027	2,152,704	1,652,266	2,510,685
<b>Total Business-type Activities Program Revenues</b>	<b>9,129,146</b>	<b>6,151,102</b>	<b>6,368,840</b>	<b>7,513,249</b>	<b>8,980,860</b>	<b>8,948,213</b>	<b>10,748,997</b>	<b>11,235,067</b>	<b>10,171,325</b>	<b>11,705,317</b>
<b>Total Primary Government Program Revenues</b>	<b>\$15,682,183</b>	<b>\$10,601,447</b>	<b>\$9,245,514</b>	<b>\$10,404,128</b>	<b>\$12,546,194</b>	<b>\$11,544,783</b>	<b>\$13,478,800</b>	<b>\$13,857,590</b>	<b>\$13,215,908</b>	<b>\$15,630,447</b>

\* 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved for:										
Delinquent personal property taxes	\$ 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	322,393	357,297	383,768	428,966	461,583	-	-	-	-	-
Advances	-	-	-	1,165,367	565,367	-	-	-	-	-
Encumbrances	-	-	-	-	-	-	-	-	-	-
Designated	2,197,572	2,439,550	2,900,132	2,472,042	2,562,652	-	-	-	-	-
Undesignated	1,313,066	1,448,696	1,045,177	851,399	1,664,458	-	-	-	-	-
Nonspendable	-	-	-	-	-	581,236	508,704	429,748	349,058	374,341
Committed	-	-	-	-	-	-	1,882,828	1,916,422	1,955,126	1,959,993
Assigned	-	-	-	-	-	1,330,342	1,473,359	1,617,349	1,010,018	1,166,341
Unassigned	-	-	-	-	-	3,694,787	2,158,018	2,117,772	3,327,238	3,782,930
<b>Total General Fund</b>	<b>\$ 3,890,337</b>	<b>\$ 4,309,315</b>	<b>\$ 4,399,952</b>	<b>\$ 4,984,750</b>	<b>\$ 5,321,106</b>	<b>\$ 5,606,365</b>	<b>\$ 6,022,909</b>	<b>\$ 6,081,291</b>	<b>\$ 6,641,440</b>	<b>\$ 7,283,605</b>
<b>Other Governmental Funds</b>										
Reserved:										
Debt service	\$ 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	-	-	-	-	-
Unreserved and undesignated:										
Special Revenue Funds	294,422	257,250	355,840	453,950	538,247	-	-	-	-	-
Capital Project Funds	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	839,515
Committed	-	-	-	-	-	789	-	-	-	-
Assigned	-	-	-	-	-	3,010,644	3,979,251	4,040,699	3,493,177	4,245,406
Unassigned	-	-	-	-	-	-	-	-	-	(11,140)
<b>Total Other Governmental Funds</b>	<b>\$ 2,494,071</b>	<b>\$ 3,814,659</b>	<b>\$ 4,800,220</b>	<b>\$ 3,428,629</b>	<b>\$ 5,699,098</b>	<b>\$ 5,226,858</b>	<b>\$ 4,761,894</b>	<b>\$ 4,808,687</b>	<b>\$ 4,537,031</b>	<b>\$ 5,073,781</b>
<b>Total All Governmental Funds</b>	<b>\$ 6,384,408</b>	<b>\$ 8,123,974</b>	<b>\$ 9,200,172</b>	<b>\$ 8,413,379</b>	<b>\$ 11,020,204</b>	<b>\$ 10,833,223</b>	<b>\$ 10,784,803</b>	<b>\$ 10,889,978</b>	<b>\$ 11,178,471</b>	<b>\$ 12,357,386</b>

Note: The Town implemented GASB Statement 54 in 2011.



Schedule 6

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

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Real Property Assessed Values</u>				<u>Personal Property Assessed Value</u>	<u>Total</u>		<u>Total Direct Tax Rate</u>	<u>Percent of Total Assessed to Total Equalized Value</u>
		<u>Residential</u>	<u>Commercial</u>	<u>Manufacturing</u>	<u>Other</u>	<u>Combined Commercial &amp; Mfg.</u>	<u>Assessed Value</u>	<u>Equalized Value</u>		
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%
2015	2016	900,538,600	345,377,300	150,193,600	2,150,500	62,925,700	1,461,185,700	1,469,133,900	5.55	99.46%

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<sup>d</sup>

Town Direct Rates					Overlapping Rates <sup>c</sup>					
Levy Year	Fiscal Year	General Fund	Debt Service Fund	Town Total	Neenah School District	Menasha School District	Appleton School District	Fox Valley Technical College	County & State	State Credit
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)
2015	2016	4.22	1.31	5.52	8.57	11.27	9.60	1.11	6.02	(1.59)

Per \$1,000 of Assessed Value

Town Direct Rates					Overlapping Rates <sup>c</sup>					
Levy Year	Fiscal Year	General Fund	Debt Service Fund	Town Total	Neenah School District	Menasha School District	Appleton School District	Fox Valley Technical College	County & State	State Credit
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)
2015	2016	4.24	1.32	5.55	8.62	11.33	9.65	1.12	6.06	(1.60)

**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, 2015**

	<u>Name</u>	<u>Nature of Business</u>	<u>Percent of Total Assessed Value</u>	<u>2015</u>	
				<u>Assessed Value</u>	<u>Equalized Value</u>
1	Kimberly-Clark Corporation	Paper Products	3.19%	\$ 46,407,600	\$ 46,823,200
2	Badgers I & II LLC	Office Buildings	2.41%	35,086,600	35,400,900
3	Touchmark on West Prospect	Retirement Living Complex	1.96%	28,478,800	28,733,800
4	Thomas A. Wright	Residential/Multi Family Living	1.55%	22,589,600	22,792,000
5	SCA	Paper Products	0.90%	13,160,200	13,278,000
6	Sunshine Real Estate LLC	Residential/Multi Family Living	0.86%	12,454,600	12,566,200
7	Clearwater Paper	Paper Products	0.82%	11,919,900	12,026,700
8	Neuroscience Center LLC	Medical	0.70%	10,258,200	10,350,100
9	Pierce Mfg	Fire & Utility Truck Bodies	0.67%	9,796,000	9,883,800
10	Warehouse Specialist	Warehousing	0.61%	8,896,100	8,975,900
<b>TOTALS</b>			<b>13.68%</b>	<b>\$ 199,047,600</b>	<b>\$ 200,830,600</b>

**Principal Taxpayers  
December 31, 2005**

	<u>Name</u>	<u>Nature of Business</u>	<u>Percent of Total Assessed Value</u>	<u>2006</u>	
				<u>Assessed Value</u>	<u>Equalized Value**</u>
1	Kimberly-Clark Corporation	Paper Products	7.80%	\$ 101,881,622	\$ 99,854,574
2	SCA	Paper Products	1.59%	20,709,900	20,297,854
3	Touchmark On West	Retirement Living Complex	1.56%	20,436,700	20,030,089
4	Cellu Tissue	Paper Products	1.04%	13,556,700	13,286,974
5	Pierce MFG	Fire & Utility Truck Bodies	1.02%	13,287,100	13,022,738
6	Warehouse Specialist	Warehousing	0.76%	9,894,800	9,697,932
7	Clover Meadows Apt	Residential/Multi Family Living	0.57%	7,403,900	7,256,591
9	Outlook Graphics	Printing, Mailing, Converting	0.50%	6,554,800	6,424,385
9	Thomas Wright	Residential/Multi Family Living	0.47%	6,149,600	6,027,247
10	Citizens Bank	Devloper	0.25%	3,291,900	3,226,404
<b>TOTALS</b>			<b>15.55%</b>	<b>\$ 203,167,022</b>	<b>\$ 199,124,788</b>

\*\*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
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	7,793,334	99.96%	3,453	0.04%	6,865	7,800,199	100.04%
2012	2013	7,821,406	7,820,021	99.98%	1,385	0.02%	2,770	7,822,791	100.02%
2013	2014	7,876,156	7,874,037	99.97%	2,119	0.03%	4,239	7,878,275	100.03%
2014	2015	7,982,249	7,980,151	99.97%	2,098	0.03%	4,197	7,984,347	100.03%

**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	Revenue Bonds					
			Utility Revenue Bonds**	Grand Chute Bonds 1991	Grand Chute Bonds 1993	Grand Chute Bonds 2004	Grand Chute Bonds 2009	
2006*	12,603,876	1,425,420	15,700,000	9,231	1,884,485	317,915	-	31,940,927
2007*	13,182,834	825,750	17,355,001	2,067	1,642,774	302,995	-	33,311,421
2008*	13,378,051	717,195	18,440,001	24,088	1,391,169	287,664	-	34,238,168
2009*	11,273,463	4,558,263	17,605,000	16,359	556,419	271,911	5,710,879	39,992,294
2010*	12,626,300	5,637,438	16,690,000	8,331	283,790	255,726	5,710,879	41,212,464
2011*	10,942,481	5,666,959	15,739,995	-	-	239,096	5,710,879	38,299,410
2012*	10,737,429	6,932,155	14,579,997	-	-	222,008	5,459,582	37,931,171
2013	10,590,649	9,726,910	13,584,457	-	-	204,450	5,201,581	39,308,048
2014	11,033,078	10,581,807	12,517,901	-	-	186,409	4,936,694	39,255,889
2015	10,310,547	10,419,138	12,709,743	-	-	167,873	4,664,743	38,272,043

\*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 Capita, and Debt to Personal Income**  
**Last Ten Fiscal Years**

Calendar Year Ending 12/31	General Outstanding Debt	Equalized Valuation *	Percent of Debt to		Debt Per Capita	Personal Income**	Percentage of Personal Income
			Equalized Valuation	Estimated Population**			
2006 <sup>#</sup>	14,029,296	1,328,595,035	1.06%	17,005	825.01	341,419,969	4.11%
2007 <sup>#</sup>	14,008,584	1,389,484,200	1.01%	17,180	815.40	337,205,051	4.15%
2008 <sup>#</sup>	14,095,246	1,435,242,400	0.98%	17,375	811.24	336,918,649	4.18%
2009 <sup>#</sup>	15,831,726	1,396,855,400	1.13%	17,390	910.39	306,141,802	5.17%
2010 <sup>#</sup>	18,263,738	1,414,080,300	1.29%	17,430	1,047.83	313,401,524	5.83%
2011 <sup>#</sup>	16,609,440	1,436,584,600	1.16%	18,533	896.21	318,307,320	5.22%
2012 <sup>#</sup>	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	358,387,370	6.03%
2015	20,644,344	1,469,133,900	1.41%	18,665	1,106.05	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.

<sup>#</sup>Gross outstanding debt

Schedule 12

**Town of Menasha, Wisconsin  
Computation of Direct and Overlapping Debt  
December 31, 2015**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percent Applicable to the Town of Menasha</u>	<u>Estimate Share of Debt &amp; Overlapping Debt Applicable to the Town of Menasha</u>
<b>Direct Debt</b>			
Town of Menasha*	\$ 10,310,547	100.00%	\$ 10,310,547
<b>Overlapping Debt</b>			
Fox Valley Technical College District	89,140,000	4.19%	3,734,966
Winnebago County	35,412,956	12.17%	4,309,757
Menasha Joint School District	46,757,500	31.16%	14,569,637
Neenah Joint School District	200,000	26.56%	53,120
Appleton Area School District	48,550,000	0.09%	43,695
<b>Total Overlapping Debt</b>	<u>\$ 220,060,456</u>		<u>\$ 22,711,175</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 230,371,003</u>		<u>\$ 33,021,722</u>

**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.

\*Governmental activities net debt

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equalized Value of Real and Personal Property	\$ 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	\$ 1,469,133,900
Debt Limit, Five (5) Percent of Equalized Valuation (Wisconsin Statutory Limitation)	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	73,456,695
Amount of Debt Applicable to Debt Limitation: Total Obligation Bonds and Loans Applicable to Debt Limit at December 31, 2014	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	20,539,519
Less: Assets in Debt Service Fund Available for Payment of General Obligation Debt	(587,603)	(915,433)	(1,070,076)	(990,489)	(911,239)	(972,156)	(1,005,765)	(868,540)	(963,843)	(971,185)
Net Amount of Debt Applicable to Debt Limit	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	19,568,334
Legal Debt Margin	\$ 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	\$ 53,888,361
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	20.23%	18.85%	18.15%	21.25%	24.54%	21.77%	24.32%	27.61%	28.48%	26.64%

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**

<u>Fiscal Year</u>	<u>Direct Operating Revenues</u>	<u>Investment Income</u>	<u>Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Required Coverage</u>	<u>Coverage Rate</u>
					<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2006	5,804,205	682,344	4,008,557	2,477,992	938,793	726,905	1,665,698	2,082,123	1.49
2007	6,039,065	797,282	4,309,822	2,526,525	989,005	835,432	1,824,437	2,280,546	1.38
2008	6,233,378	487,755	4,609,611	2,111,522	835,000	780,754	1,615,754	2,019,693	1.31
2009	6,764,677	400,594	4,887,722	2,277,549	915,000	714,400	1,629,400	2,036,750	1.40
2010	6,664,514	272,927	5,407,863	1,529,578	950,000	678,245	1,628,245	2,035,306	0.94
2011	7,245,465	163,648	5,269,018	2,140,095	985,000	639,795	1,624,795	2,030,995	1.32
2012	8,783,104	116,933	5,526,814	3,373,223	1,030,000	543,178	1,573,178	1,966,473	2.14
2013	8,562,907	39,940	5,154,558	3,448,289	1,070,000	507,636	1,577,636	1,972,045	2.19
2014	8,370,660	61,237	5,491,256	2,940,641	1,130,000	429,236	1,559,236	1,949,045	1.89
2015	8,613,000	51,808	5,842,074	2,822,734	1,240,000	333,917	1,573,917	1,967,396	1.79

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, 2015**

<u>Name</u>	<u>Nature of Business</u>	<u>Thousands of Gallons (000)</u>	<u>Water Billing</u>
1 Clearwater Paper Corp	Paper Products Manufacturing	124,724	528,425
2 Kimberly-Clark (Feminine Care)	Feminine Care Products	30,732	131,779
3 SCA Tissue North America	Paper Products Manufacturing	19,974	87,492
4 Pierce Manufacturing	Fire & Utility Truck Bodies	19,400	81,602
5 Kimberly Clark (W. Research)	Paper Products Manufacturing	9,498	43,491
6 Theda Care/Peabody Manor	Retirement Home	5,373	26,025
7 Meadow Development	Mobile Home Park	5,538	25,460
8 Chapman Ave	Plastic Mfg	6,330	25,249
9 Great Northern Container	Corrugated Container Manufacturer	5,149	25,139
10 Fox Valley Home Estate	Mobile Home Park	4,582	21,420
Total of Ten Largest Retail Users		231,300	\$ 996,082
Total Water Utility		715,010	\$ 4,927,018
Ten Largest as Percent of Total Water Utility		32%	20%

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

<u>Calendar Year</u>	<u>Gallons Billed</u>	<u>Gallons Pumped</u>
2006	825,168	1,083,813
2007	909,841	1,071,943
2008	761,821	978,373
2009	782,398	989,149
2010	718,535	988,817
2011	754,451	984,133
2012	754,589	957,009
2013	690,322	894,747
2014	691,637	886,986
2015	715,010	899,780

**DAILY DEMAND STATISTICS**  
(thousands of gallons per day)  
Last Ten Fiscal Years

<u>Calendar Year</u>	<u>Average Daily Demand</u>	<u>Maximum Daily Demand</u>	<u>Maximum Rated System Capacity</u>
2006	2,969	4,585	3.90
2007	2,937	4,584	3.90
2008	2,680	3,828	3.90
2009	2,710	3,767	3.90
2010	2,709	3,518	7.40
2011	2,694	3,599	6.90
2012	2,621	3,993	6.90
2013	2,451	3,590	6.90
2014	2,430	3,590	6.90
2015	2,465	3,325	6.90

Source: Town of Menasha Water Utility billing records.

Schedule 16

**Town of Menasha, Wisconsin  
Demographic Statistics  
Last Ten Fiscal Years\***

<b>Fiscal Year</b>	<b>Town of Menasha Population <sup>(1)</sup></b>	<b>Personal Income <sup>(2)</sup></b>	<b>AGI Per Return <sup>(2)</sup></b>	<b>Annual Average Unemployment Rate <sup>(3)</sup></b>
2006	17,005	341,419,969	55,769	4.5
2007	17,180	337,205,051	54,910	4.6
2008	17,375	336,918,649	54,535	4.4
2009	17,390	306,141,802	51,643	7.7
2010	17,430	313,401,524	52,268	7.8
2011	18,533	318,307,320	52,300	7.1
2012	18,545	340,551,590	54,350	6.6
2013	18,582	346,628,260	55,000	6.4
2014	18,624	358,387,370	56,410	5.3
2015	18,665	N/A	N/A	4.3

<sup>(1)</sup> Wisconsin Department of Revenue

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

<sup>(3)</sup> 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, 2015**

<u>Company Name</u>	<u>Product or Service</u>	<u>Number of Employees</u>	<u>Percentage of the Fox Valley Area<sup>#</sup></u>
1 Kimberly-Clark Corporation	Paper Products Manufacturer	3,200	1.49%
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	0.46%
5 Miron Construction	Construction	1,000	0.46%
6 RR Donnelley (formerly Banta)	Printing, packaging and mailing	1,000	0.46%
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<sup>#</sup></u>
1 Kimberly-Clark Corporation	Paper Products Manufacturer	5,240	2.46%
2 Pierce Manufacturing	Fire & Utility vehicle manufacturer	1,070	0.50%
3 SCA	Paper Napkins, Table Covers	700	0.33%
4 Outlook Graphics	Commercial Printing	615	0.29%
5 Pitney Bowes	Mailing machine rental/leases	545	0.26%
6 Banta Corporation	Printer of books and periodicals	482	0.23%
7 Miron Construction	Construction	388	0.18%
8 Cellu Tissue	Paper Products Manufacturer	340	0.16%
9 GNC	Corrugated Container Manufacturer	198	0.09%
10 Hayes Mfg	Paper Core Manufacturer	165	0.08%

\* 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**  
**6/1/2015-6/1/2016**

<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	\$ 67,517
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	\$ 2,854,896 \$1,000 ded	\$ 11,334
Buildings, Personal Property and Property in the Open	Selective Insurance	\$ 28,750,977 \$1,000 ded	\$ 32,518
Auto (Comprehensive & Collision)	Selective Insurance	\$ 6,321,208 \$1,000 ded	\$ 19,090
Boiler and Machinery	Selective Insurance	\$ 28,949,457 \$1,000 ded	included above
Workers Compensation	Aegis Corporation	\$ 100,000 Ea. Accident	\$ 153,308
	Community Insurance Corporation	\$ 500,000 Policy. Limit	
	Benchmark Insurance Company	\$ 100,000 Ea. Employee	
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, 2015**

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

	<u>2015</u>		<u>2015</u>
<b>Population</b>	18,665	<b>Permanent Town Employees</b>	
		Full Time	77
<b>Area</b> Square Miles	12.5	Part Time	60
Acres - Land	8,167	Seasonal/Casual/Temporary	86
Acres - Water	379		
		<b>Fire Protection</b>	
<b>Altitude</b>	810-830 ft.	Number of Stations	2
		Number of Firefighters	53
<b>Miles of Streets</b>		Parttime	8
Local Streets	73.54	Fulltime	5
Arterial/Collector Highways	24.3	Paid On-Call	44
		<b>Police Protection</b>	
<b>Number of Street Lights</b>	1,143	Number of Stations	1
		Number of Police Officers	26
<b>Utility District</b>		<b>Parks and Recreation</b>	
Average Number of Customers	8,606	Acreage	260.47
Avg Daily Water Consumption	2,465,000	Number of Parks	16
Miles of Water Mains	133.91	Trails (miles)	19.8
Miles of Sanitary Mains	118.83		
Water Towers	3	<b>Building Permits</b>	
Lift Stations	8	Permits Issued	934
Water Treatment Plants	3	Estimated Cost of Construction	\$ 40,298,737
Reservoirs	3		

Source: Town departments

Schedule 20

**Town of Menasha, Wisconsin  
Operating Indicators by Function/Program**

<u>Function/Program</u>	<u>2015</u>	<u>Function/Program</u>	<u>2015</u>
<b>General Government</b>		<b>Refuse Collection</b>	
Building Permits issued	934	Refuse collected (tons per day)	19.74
Building Inspections conducted	1,234	Recyclables collected (tons per day)	12.96
		Yard Waste collected (tons per day)	14.4
<b>Police</b>		<b>Parks and Recreation</b>	
Parking Violations	571	Park rentals	20
Traffic Violations	5,844	Community Center rentals	275
<b>Fire</b>		<b>Water</b>	
Emergency responses (non EMS)	373	New connections	35
Inspections:		Water Main breaks	27
Routine visits	1,511	Average daily consumption (thousand/gallons)	2,465
Tank program	19	Peak daily consumption (thousand/gallons)	3,325
Certificate of Occupancies	31		
Compliance visits	3	<b>Sewer (millions of gallons)</b>	
Special visits	1	Average daily sewage treatment (GCMW)	2.47
Nuisance Abatement Taskforce	0	Average daily sewage treatment (NMSC)	2.08
EMS Calls	683		

Source: Town departments

Assumes 365 days per year

Schedule 21

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

<b>Function/Program</b>	<b>2015</b>	<b>Function/Program</b>	<b>2015</b>
<b>Police</b>		<b>Other Public Works</b>	
Stations	1	Streets (miles)	97.84
Patrol Units	12	Streetlights	1,143
		Traffic Signals	65
<b>Fire</b>		<b>Water</b>	
Stations	2	Water mains (miles)	133.91
		Fire Hydrants	1,391
<b>Parks and Recreation</b>		Storage capacity (thousand/gallons)	3,900
Acreage	260.47	<b>Sewer</b>	
Playgrounds	13	Sanitary sewers (miles)	118.83
Baseball/Softball diamonds	7	Sewage lift station force mains (miles)	6.21
Soccer/football fields	7	Treatment capacity (GCMW) millions/gallons	13.1
Community Centers	1	Treatment capacity (NMWS) millions/gallons	12.8

Source: Town departments

Schedule 22

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

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of December 31</u>								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>									
Administration	2.000	2.000	2.000	2.000	2.000	2.250	2.250	2.250	2.250
Assessing	2.000	2.000	2.000	1.000	1.000	1.288	1.288	1.288	1.288
Clerk	1.538	1.788	1.750	1.750	1.750	1.654	1.654	1.673	1.673
Community Development	4.287	4.433	4.337	4.337	4.500	4.337	4.337	4.192	4.625
Finance	7.003	7.0029	6.603	6.603	6.603	6.603	6.603	6.672	6.542
Information Technology	1.000	1.500	1.500	1.500	1.500	2.000	2.000	2.000	2.000
Municipal Court	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<b>Police</b>									
Officers	26.000	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	6.851
<b>Fire</b>									
Officers	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	4.000
Civilians	1.480	1.312	1.168	1.060	1.060	1.060	1.060	1.050	0.600
Firefighters	8.547	8.749	8.749	8.470	8.447	9.084	9.084	9.675	11.989
<b>Public Works</b>	9.864	9.864	9.864	10.872	10.872	10.872	10.872	10.872	10.872
<b>Parks and Recreation</b>	8.794	8.978	8.978	8.978	8.978	8.978	9.224	9.225	9.404
<b>Water</b>	10.288	10.288	10.288	10.288	10.000	8.788	8.788	8.788	8.788
<b>Wastewater</b>	4.288	4.288	4.288	4.288	4.288	4.788	4.788	4.788	4.788
<b>GRAND TOTAL</b>	<b>99.196</b>	<b>100.3099</b>	<b>99.603</b>	<b>98.290</b>	<b>98.142</b>	<b>98.596</b>	<b>98.842</b>	<b>99.367</b>	<b>102.670</b>

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.

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