



Town of Menasha, Wisconsin

Comprehensive Annual Financial Report

as of and for the year ended
December 31, 2016

Town of Menasha, Wisconsin
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016

Prepared By:
FINANCE DEPARTMENT

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TOWN OF MENASHA, WISCONSIN

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INTRODUCTORY SECTION



Town of Menasha

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April 14, 2017

Town of Menasha Board of Supervisors
Fox Crossing Village Board of Trustees
Town of Menasha Residents
Village of Fox Crossing Residents:

The 2016 Comprehensive Annual Financial Report (CAFR) of the Town of Menasha (Town) was prepared by the Finance Department. Fiscal Year 2016 is a very historic year for the Town of Menasha. Financially, as of January 1, 2017, the Town of Menasha is now incorporated into the Village of Fox Crossing (Village). As such, this will be the final CAFR for the Town of Menasha. Management of this community during 2016 was also in transition. Part of the year, the community was run by the Town of Menasha Board of Supervisors, part of the year by the Village of Fox Crossing Trustees, and a portion of the year jointly. Please see the history of the Town for more information.

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.

Incorporation of the Town of Menasha into the Village of Fox Crossing:

On January 27, 2014, the Town Board established the Town of Menasha Incorporation Review Ad Hoc Committee (Incorporation Committee). This committee was comprised of three residents from the east side of the community and four from the west side. They conducted ten open meetings, including public input sessions to research, analyze and discuss the positive and negative attributes of a potential incorporation effort. Whereas, on October 22, 2014, the Incorporation Committee voted unanimously to recommend incorporating the west side of the Town of Menasha, then annex/attach the remaining east side at a future date. On November 24, 2014, the Town of Menasha Board of Supervisors accepted the Incorporation Committee's recommendations.

On December 16, 2014, two Town residents published their notice of intent to circulate a petition to incorporate the west side of the Town, 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 Incorporation Committee. The petitioners indicated that they would like to incorporate the west side of the Town and then reunite the new village with the remaining Town on the east side through the annexation or attachment process at a later date. While the petitioners needed 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, which validated the petition.

During the first six months of 2015, Town staff worked on creating an incorporation packet to submit to the State of Wisconsin Department of Administration for review. Per Wisconsin State Statutes, the State of Wisconsin Incorporation Review Board must approve an incorporation petition. After the State's review and several public hearings, on February 2, 2016, the State of Wisconsin Incorporation Review Board approved the petition for incorporation of the west side of the Town of Menasha. With this approval, Winnebago County Judge Karen Seifert placed the required referendum question on the spring 2016 election ballot. On April 5, 2016, the west side Town residents overwhelmingly (86%) approved the referendum. On April 20, 2016, the State of Wisconsin Department of Administration Secretary signed the incorporation paperwork officially certifying the incorporation. The election for the newly formed Village Board was on June 7, 2016. From June through September, the Town and Village Boards met jointly to handle business within both communities. Additionally on August 17, 2016, both Boards passed inter-municipal agreements to continue financially as one community. On September 22, 2016, the Town and Village entered into an agreement for the Village to amend its borders to attach the Town into the Village, except for three parcels. Those three parcels were annexed into another community on December 19, 2016. For financial purposes, January 1, 2017 was used for the transition date from the Town of Menasha to the Village of Fox Crossing.

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 8.3% 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 Village of Fox Crossing has a president/trustee form of government, with the president and six trustees serving at-large. The Village Board trustees 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, nine part-time and forty-four 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 has shorefront property on Little Lake Butte des Morts. The Town is the second largest town in the state of Wisconsin, with a population of 18,741. 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 population served by 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 2016-17 was estimated at 3,646 students. Neenah Joint School District facilities include one high school, two middle schools and ten elementary schools. Student enrollment for 2016-17 was 6,709. In addition, St. Mary's Catholic School, a parochial elementary, middle, and high school system, 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 2016 tax rate was \$5.47 per \$1,000 of equalized value or \$5.59 per \$1,000 of assessed value. The equalized tax value on January 1, 2016 increased 2.27%; whereas, the assessed value increased \$9.8 million or 0.67%, from \$1,461,185,700 to \$1,471,003,700. For 2016, the assessment ratio was 98.11% compared to 99.12% in 2015, 101.54% in 2014, and 105.80% in 2013. The assessment ratio shows that the Town of Menasha's assessed property values are 1.9% lower than the average property sales in 2016 compared to 0.89% lower in 2015 and 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 21.3 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. Additionally, the Cities of Menasha and Neenah are in the process of completing a trestle trail loop that would enable the public to loop Little Lake Butte des Morts

with the Fox Cities Trestle-Friendship Trail and N Lake Street trail connections in the Town of Menasha. This trail loop would be approximately 3.2 miles.

Economic Condition and Outlook

The Town's assessment ratio was 98.11% in 2016, compared to 99.12% in 2015, and 101.54% in 2014. 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.

In 2015, 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 2017. This development includes an area-wide stormwater detention pond, in addition to the normal infrastructure needs.

On March 15, 2016, the Town of Menasha created its second TID. This TID is located within the McMahon Business Park, which is on the corner of Jacobsen Road and County Highway CB, and encompasses 51.8 acres of property. TID #2 is projected to generate between \$11 and \$15 million in new tax base during its 20 year life, with between \$3 and \$5 million in tax increment during the same time frame. With this TID the Town will be reconstructing Jacobsen Road from County Highway CB to Cold Spring Road for this development area.

Another increase in the Town's economic condition can be seen in the increase of the building permit activity. Fiscal year 2016 showed the most building property value in over 15 years, and generated 51% more building value than last year with \$61 million compared to \$40 million in 2015. The largest 2016 project, for 41% or \$25 million of value, is for Community First Credit Union, which was mentioned above. The tax increment from this development will offset TID #1 costs. The second largest 2016 project was the corporate headquarters for Menasha Office One, LLC (WOW Logistics), with 7.5% or \$4.5 million of building activity. This building is expected to be built by the end of December 2017, and is located within TID #2. Another large 2016 building project was for Kimberly Clark Corporation. They incurred \$4 million of value for building renovations, which is 6.5% of the Town's 2016 building activity.

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 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.

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. Most importantly for the Town, 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. 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 2016 average annual unemployment rate for the Oshkosh-Neenah Metropolitan Statistical Area was 3.7% compared to 4.3% in 2015, 5.3% in 2014, and 6.4% in 2013. Additionally, the annual 2016 local unemployment rate of 3.7% compared to 4.9% nationally and 4.1% 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 2007 through 2016, the General Fund Balance has increased \$3,110,475, 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 2016, the Town of Menasha had another amazing year with a \$136,185 increase in the general fund balance, in addition to the \$642,165 increase in 2015 and the \$560,149 increase in 2014. What truly makes the 2016 general fund balance spectacular is that the Town Board originally budgeted to use \$332,394 in fund balance for one-time items, which means the Town had a net increase of \$468,579 in 2016.

The 2016 unassigned general fund balance is at 34% 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/Village Board has budgeted to use a portion of the unassigned fund balance for one-time expenditures in 2017 in the amount of \$546,888. The unassigned fund balance growth directly links to the Town of Menasha/Village of Fox Crossing 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.

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/Village of Fox Crossing Board of Trustees 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/Village 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, 2016 there was \$3,009,828 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 eight 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 33 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 2017 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 successfully passed an amendment to 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 2016, the Utility purchased 13.5% of total pumped water from the City of Menasha compared to 16.8% in 2015. The Water Utility's water comes from four deep wells on the west side and the two deep wells on the east side. The Water Utility maintains three 300,000 gallon water towers, and over 130 miles of water mains. In 2016, the Town had 718 million gallons of water sold, compared to 715 million in 2015, and 691 million in 2014.

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. The Stormwater Utility has four large regional wet ponds and 52 miles of storm mains. The remaining road infrastructure is supported by culvert and ditching systems.

Debt Administration

The Town of Menasha was last rated by Moody's Investors Service in 2015. In 2017, prior to the release of the CAFR, Moody's again rated this community. At both times, the Town/Village 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, 2016, the Town's gross general obligation debt of \$17,811,297 was well below the legal limit of \$75,124,720 (23.71%), and debt per capita equaled \$950. 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. To continue to ensure the Utility's debt coverage requirements, in January 2016, the Utility District increased sewer rates 3%. This resulted in the utility having 2016 earnings at 1.79 times the annual debt service of the revenue bonds.

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, 2015. 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 another challenging year. These significant expenditure savings were due to substantial general fund operational savings, especially since the 2016 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 2016 expenditures, and in fact still incurred an increase to the general fund balance. For more detailed financial highlights, please read the narrative introduction, overview and analysis found in the management's discussion and analysis (MD&A) in the CAFR's financial section. 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/Village Manager



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, 2015

Executive Director/CEO

TOWN OF MENASHA/VILLAGE OF FOX CROSSING

DIRECTORY OF OFFICIALS

At December 31, 2016

**TOWN OF MENASHA
BOARD OF SUPERVISORS**

Chairperson: Barbara Hanson
Supervisor 1: Martha Andrew
Supervisor 2: James Beson
Supervisor 3: Timothy Raddatz
Supervisor 4: Deb Swiertz

**VILLAGE OF FOX CROSSING
BOARD OF TRUSTEES**

President: Dale A. Youngquist
Trustee 1: Michael Van Dyke
Trustee 2: Kris Koeppe
Trustee 3: Gregory J. Ziegler
Trustee 4: Mark J. Englebert
Trustee 5: Dale McNamee
Trustee 6: Bob Masiak

OFFICERS

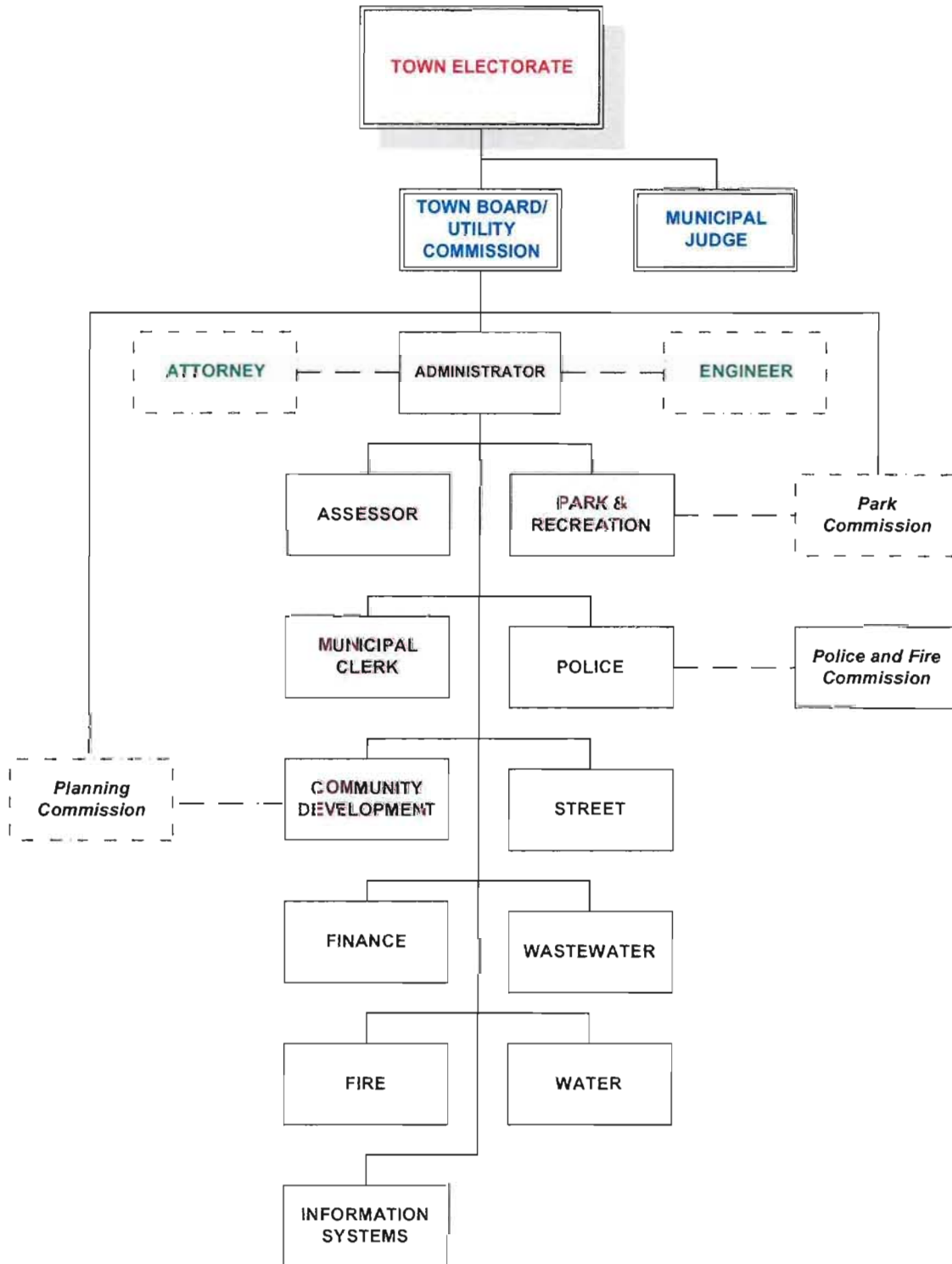
Town Administrator/Village Manager	Jeffrey Sturgell
Town Clerk/Village Clerk	Karen Backman
Finance Director	Myra Piergrossi
Director of Community Development	George Dearborn
Fire Chief	Keith Kiesow
Network Administrator	Tim Plagenz
Director of Parks and Recreation	Amanda Geiser
Police Chief	Rodney McCants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

PLANNING COMMISSION

Chair: Dennis Jochman
Vice Chair: Aaron Sabel
Commissioner: Maury Cox
Commissioner: Michael Dillon
Commissioner: Tracy Romzek
Commissioner: Michael Scheibl
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



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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, 2016, 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, 2016, 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

Change in Accounting Principles

As discussed in Note 1, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72 *Fair Value Measurement and Application* as of and for the year ended December 31, 2016. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules – general fund, budgetary comparison schedule – tax incremental district #1 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
May 2, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF MENASHA, WISCONSIN

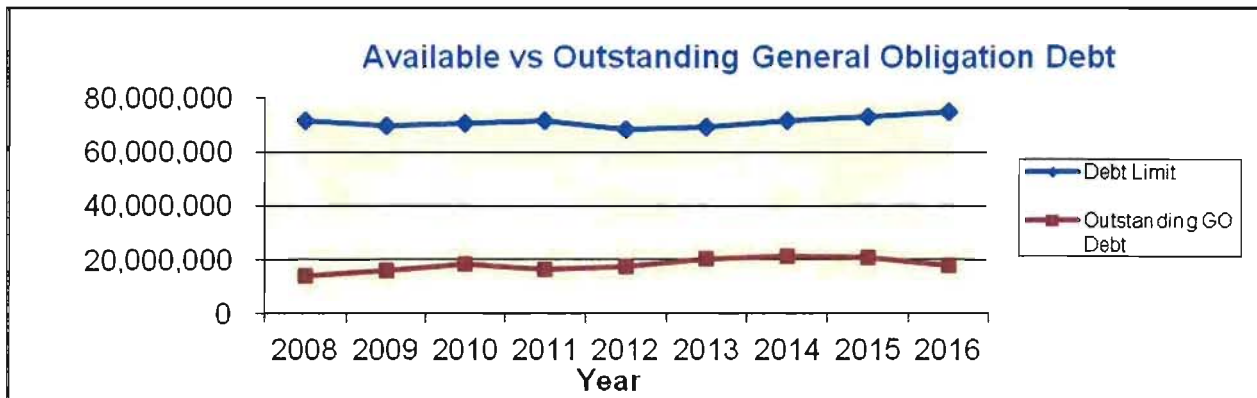
MANAGEMENT'S DISCUSSION AND ANALYSIS UNAUDITED

As of and For Year Ended December 31, 2016

As management of the Town of Menasha, Wisconsin, (Town) 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, 2016. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

FINANCIAL HIGHLIGHTS

- Fiscal Year 2016 is a very historic year for the Town of Menasha. This will be the final CAFR for the Town of Menasha. Financially, as of January 1, 2017, the Town of Menasha is now incorporated into the Village of Fox Crossing (Village). As such, this will be the final CAFR for the Town of Menasha. Management of this community during 2016 was also in transition. Part of the year, the community was run by the Town of Menasha Board of Supervisors, part of the year by the Village of Fox Crossing Trustees, and a portion of the year jointly. Please see the history of the Town in the CAFR transmittal letter for more information.
- 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 is very diligent with maintaining debt coverage. In 2016 the coverage requirement was \$1,988,753 and the utility generated \$861,344 above the requirement or 1.79 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. The utility's net revenues were higher than last year, even with annual cost increases, due to a 3% sewer rate increase in January 2016.
- The Town of Menasha's debt capacity is \$ 75,124,720, which is 5% of the Town's equalized value of taxable property. The total outstanding general obligation debt at year end was \$17,811,297, or 23% of the possible debt capacity, and is only 1.19% of the Town's equalized value. The Town's debt equates to approximately \$950 per capita. In 2015, the general obligation debt was at \$ 20,539,519 or \$1,100 per capita.



TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

FINANCIAL HIGHLIGHTS (cont.)

- For many years, the Town of Menasha has continued to maintain its high Aa2 rating for General Obligation debt and an A1 rating for revenue bonds from Moody's Investors Services. The Town of Menasha/Village of Fox Crossing was rated in 2015 and again in 2017, prior to the release of the CAFR. At both times, the Town/Village maintained this rating.
- As of December 31, 2016, the Town of Menasha has created two Tax Incremental Financing Districts (TID). Both of these TIDs are in the building construction phase, and do not have an incremental value. Since the TIDs do not have any revenue being generated yet, the General Fund has advanced funds to both of these TIDs in the amount of \$39,579, which is part of the General Fund Nonspendable Fund Balance, Advances to Other Funds.
- The total assets of the Town of Menasha exceeded its liabilities at the close of the most current fiscal year by \$123 million, which is an increase of 2%. Of this amount, \$19.8 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 \$11,524,275, a decrease of \$833,111 in comparison with the prior year. The main decrease occurred in the capital projects fund. Normally, the Town of Menasha borrows for capital projects annually; however, this borrowing did not occur until April 2017. Due to this, the capital projects fund had a decrease in fund balance of \$1,272,258.
- At the close of the current fiscal year, unassigned fund balance was \$3,649,651 for the general fund. This is approximately 38% of the 2016 total general fund expenditures and other financing uses. If compared to \$3,782,930 in 2015, this is a \$133,279 decrease; however, overall general fund balance increased \$136,185 from 2015. The decrease from unassigned fund balance but increase in the overall fund balance is due to committing funds to the 2017 general fund budget. In the 2017 budget, the Town/Village has committed \$546,888 of fund balance for one-time expenditures.

Additionally, the Town budgeted to use \$553,419 in general fund balance in 2016, but remarkably had an overall increase to fund balance. This overall change to fund balance directly links to the Town/Village 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/Village of Fox Crossing.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

FINANCIAL HIGHLIGHTS (cont.)

- Due to a combination of solid financial planning and adherence to the comprehensive plan, the Town of Menasha is able to promote quality services with low tax rates. The Town 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.
-

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information on all of the Town's assets, liabilities, and deferred inflows and outflows of resources 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, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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 42 to 45 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, TID #2, Debt Service, Capital Projects and Equipment Replacement. 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 46 to 51 of this report.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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 52 to 56 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 57 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 58 to 93 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 liability (asset) and employer contributions – Wisconsin Retirement System and detailed budgetary comparison schedules for the General Fund and TID #1 to demonstrate compliance with the budgets. These schedules can be found on pages 94 to 99 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 100 to 114 of this report.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

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
	2015	2016	2015	2016	2015	2016	2015-2016
Current and Other Assets	23.51	22.20	22.69	21.80	46.20	44.00	(4.76%)
Capital Assets	59.01	59.08	64.50	64.36	123.51	123.44	(0.06%)
Deferred Outflows	0.90	3.16	0.23	0.72	1.13	3.88	243.36%
Total Assets and Deferred Outflows	83.42	84.44	87.42	86.88	170.84	171.32	0.28%
Current Liabilities	3.32	3.24	3.17	3.37	6.49	6.61	1.85%
Non-Current Liabilities	8.54	7.28	25.89	23.56	34.43	30.84	(10.43%)
Deferred Inflows	9.13	10.48	0.00	0.27	9.13	10.75	17.74%
Total Liabilities and Deferred Inflows	20.99	21.00	29.06	27.20	50.05	48.20	(3.70%)
Net Investment in Capital Assets	49.14	50.86	45.57	46.41	94.71	97.27	2.70%
Restricted	2.09	2.03	3.81	3.98	5.90	6.01	1.86%
Unrestricted	11.15	10.55	8.98	9.29	20.13	19.84	(1.44%)
Total Net Position	62.38	63.44	58.36	59.68	120.74	123.12	1.97%

(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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$123,100,127 as of December 31, 2016.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

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

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 second year of the GASB 68 implementation is the reason for the significant change in deferred outflows shown on the prior page. The GASB 68 detailed information is from the Wisconsin Retirement System, including the Deferred Outflows Related to Pension. The main change in this category relates to the expected vs. actual investment income change, which had an overall change of over \$2.3 million in 2016.

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, \$19,840,806, 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 of Menasha's operations for the year ended December 31, 2016. Governmental activities increased the Town's net position by approximately \$1.04 million. Business-type activities increased the Town's net position by approximately \$1.32 million. On the 2015 financial statements, there was a total increase of approximately \$3.73 million in net position from 2014. This represented a \$1.87 million increase in governmental net position and \$1.86 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, 2016

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

Statement of Activities

(in millions of dollars)

	Governmental Activities		Business- type Activities		Totals		Total Percentage Change
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>
Revenues:							
<u>Program Revenues:</u>							
Charges for services	1.87	2.18	10.18	10.35	12.05	12.53	3.98%
Operating grants and contributions	0.95	0.98	0.03	0.10	0.98	1.08	10.20%
Capital grants and contributions	1.11	0.43	1.49	0.32	2.60	0.75	(71.15%)
<u>General Revenues:</u>							
Property taxes	7.98	8.11	-	-	7.98	8.11	1.63%
Other taxes	0.06	0.06	-	-	0.06	0.06	0.00%
Intergovernmental	0.62	0.59	-	-	0.62	0.59	(4.84%)
Investment income	0.10	0.09	0.06	0.08	0.16	0.17	6.25%
Other	0.36	0.36	-	0.01	0.36	0.37	2.78%
Total Revenues	<u>13.05</u>	<u>12.80</u>	<u>11.76</u>	<u>10.86</u>	<u>24.81</u>	<u>23.66</u>	<u>(4.64%)</u>
Expenses:							
General government	1.70	1.92	-	-	1.70	1.92	12.94%
Public safety	4.64	5.10	-	-	4.64	5.10	9.91%
Public works	3.92	3.77	-	-	3.92	3.77	(3.83%)
Leisure activities	1.09	1.20	-	-	1.09	1.20	10.09%
Conservation and development	0.14	0.15	-	-	0.14	0.15	7.14%
Interest and fiscal charges	0.23	0.18	-	-	0.23	0.18	(21.74%)
Water utility	-	-	4.46	4.32	4.46	4.32	(3.14%)
Sewer utility	-	-	3.30	3.47	3.30	3.47	5.15%
Stormwater utility	-	-	1.60	1.19	1.60	1.19	(25.63%)
Total Expenses	<u>11.72</u>	<u>12.32</u>	<u>9.36</u>	<u>8.98</u>	<u>21.08</u>	<u>21.30</u>	<u>1.04%</u>
Excess Revenues over Expenses before Transfers	1.33	0.48	2.40	1.88	3.73	2.36	(36.73%)
Transfers	<u>0.54</u>	<u>0.56</u>	<u>(0.54)</u>	<u>(0.56)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Change in Net Position	1.87	1.04	1.86	1.32	3.73	2.36	(36.73%)
Beginning Net Position	<u>60.51</u>	<u>62.38</u>	<u>56.49</u>	<u>58.35</u>	<u>117.00</u>	<u>120.73</u>	<u>3.19%</u>
Ending Net Position	<u>62.38</u>	<u>63.42</u>	<u>58.35</u>	<u>59.67</u>	<u>120.73</u>	<u>123.09</u>	<u>1.95%</u>

(Totals may vary due to rounding.)

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

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

On the prior page, for both governmental and business-type activities, capital grants and contribution revenue decreased 71.15%. In 2015, the Town had a very large capital grant for the E Shady Lane construction project, in which approximately \$0.9 million in grants funds was received. Additionally for the US 10/WIS 441 Wisconsin Department of Transportation (DOT) project, the DOT will reimburse the Utility for 90% of the costs of any project that the DOT is requiring the Town of Menasha Utility District to complete. In 2015, these funds were in the Capital grants and contributions section, but have been moved to Operating grants and contributions in 2016. The reason for the move is that the projects that are necessary for the completion of the DOT project are maintenance type expenses for the utility, such as abandoning mains, lowering mains or relocating mains. Please see the CAFR Transmittal Letter for more detail on the US 10/WIS 441 project.

In reviewing expenses, public works expenses decreased 4% from 2015. This is due to less capital projects in 2016 compared to 2015. Also, the stormwater utility's expenses decreased 26%. This decrease is due to one-time maintenance expenses for specific 2015 projects, which did not occur in 2016. The majority of the 2015 maintenance expenses were for the Red Oak Ravine project, which is described in the Proprietary Funds, Stormwater Utility section of this report. Overall revenues decreased 5% and overall expenses increased 1%, resulting in a combined 2% or \$2.36 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 2016 is the public safety program at 41% or \$5,097,597 of the total expenses, and includes police, fire, building inspections, and emergency government.

The second largest expense is public works. This program is 31% or \$3,771,355 of total expenses. This category includes street and trail construction/maintenance, engineering, street lighting, garbage collection, and transportation services. The Town continues to show a strong commitment to funding street reconstruction/maintenance to ensure the Town maintains excellent road conditions within its borders.

In 2015, these two categories were also the top expense categories for the Town of Menasha, with \$4,643,282 spent on public safety and \$3,919,743 spent on public works.

TOWN OF MENASHA, WISCONSIN

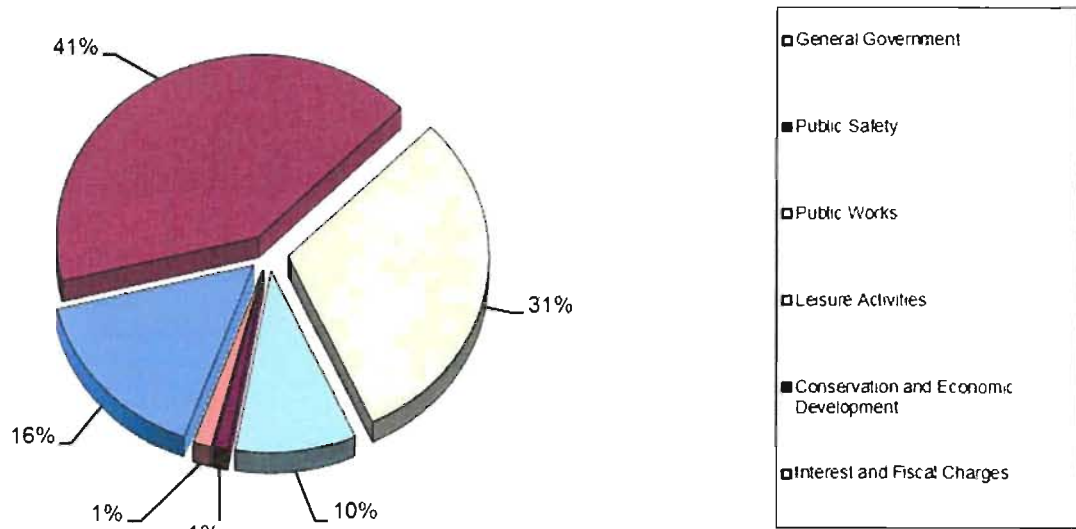
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

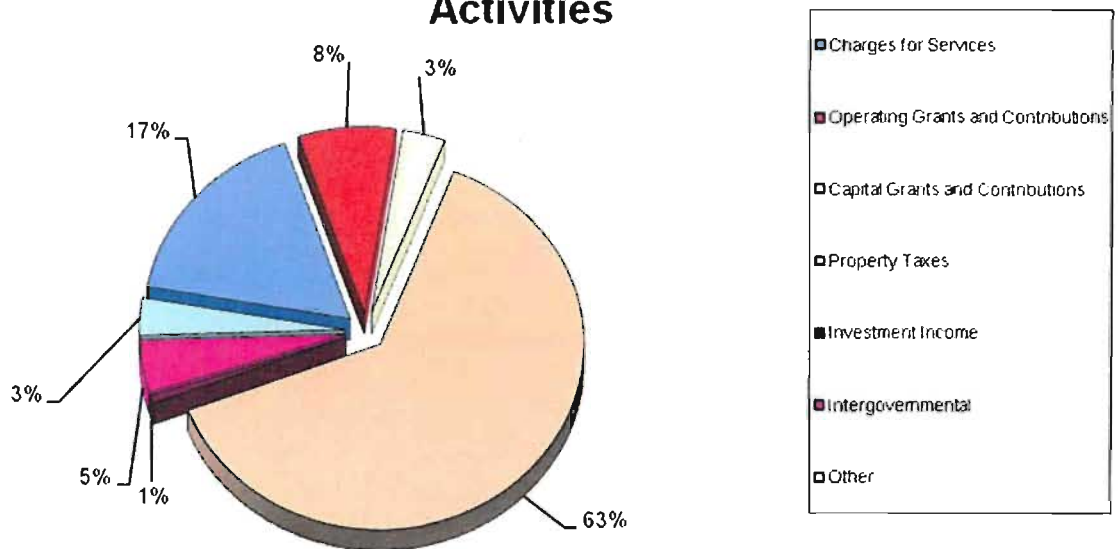
As of and For Year Ended December 31, 2016

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

2016 Expenses by Activity - Governmental Activities



2016 Revenue by Source - Governmental Activities



TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

As of the close of the current fiscal year, the Town of Menasha's governmental funds reported combined ending fund balances of \$11,524,275, a decrease of \$833,111 in comparison with the prior year. The main decrease occurred in the capital projects fund. Normally, the Town borrows for capital projects annually; however, this borrowing did not occur until April 2017. Due to this, the capital projects fund had a decrease in fund balance of \$1,272,258. Approximately 30% of the combined fund balance, \$3,349,626, is unassigned and available for use within the Town's designations and policies. The remaining total governmental fund balance of \$8,174,649 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 (\$4,777), 2) prepaid insurance (\$95,746), and 3) advances to the Stormwater Utility, TID # 1, and TID #2 (\$258,183). Restricted fund balance includes funds that are limited in use by external limitations. As of December 31, 2016, the restricted fund balance totaled \$624,623. 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 \$2,132,147, 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, 2016

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

Governmental Funds (cont.)

Assigned fund balance is the Town Board designations resulting from intended use, which includes items such as debt retirement (\$770,059) and capital equipment replacement (\$3,009,828). 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 (\$712,398). 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 eleven years, has budgeted \$8,000 per year to start saving for the cost of a future revaluation. The Board contracted for a 2017 reassessment which started in 2016. For this reassessment project, \$70,700 of these funds were spent in 2016; therefore, as of December 31, 2016, there is \$17,300 assigned for this purpose. Another item in the assigned fund balance is an allocation of funds for specific future purchases (\$549,588). The majority of these future purchases have been budgeted to be spent in 2017.

General Fund

This fund is the main governmental fund; whereas, all operational activities occur here. Of the \$22,756,572 in total governmental assets, the general fund controls 66% or \$14,952,285. Additionally, this fund generated \$8,999,191 in revenues and expended \$8,997,727, compared to \$8,827,526 and \$8,498,720, respectively, in 2015.

The General Fund revenues and other financing sources were significantly over budget by \$243,317. This shows that economic conditions were more favorable than anticipated. The majority of additional revenue was in the licenses and permits category, with a \$97,162 favorable variance. The Town had more building activity than budgeted, plus two new facilities opened in the Town that required a tavern operator's license. New tavern operator's licenses cost \$10,000 each for the original application.

The General Fund expenditures and other financing uses were significantly less than budgeted, by \$446,287. Of this savings, \$40,060 of these funds were for items that were not purchased in 2016, but have been reallocated for purchase in future years. Additionally, a total of \$529,588 of the general fund balance has been assigned for 2017 capital assets and one-time purchases.

These significant expenditure savings were due to substantial general fund operational savings, especially since the 2016 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 2016 expenditures, and in fact still incurred an increase to the general fund balance.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

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

Governmental Funds (cont.)

General Fund (cont.)

Approximately 32% of these cost savings or \$141,738 occurred in the Town's Park & Recreation Department. In this department the town had staff changeover in the Park & Recreation Director position. This position remained vacant for seven months, until Town management decided to reorganize the department. With this reorganization, a current employee was promoted to the Director position, but the remaining position was changed and not filled until 2017. These personnel changes result in \$86,796 of savings in 2016. Additionally, there was \$7,250 that was budgeted for 2016 that has been assigned to 2017 for purchase. There was also \$18,345 in park capital equipment that was budgeted, but not purchased in 2016.

Another area of substantial savings was in the general government category. In the Finance Department there was a favorable variance of \$64,833. The main savings was due to a newly budgeted position remaining vacant for 2016. The overall personnel savings in finance was \$54,145. Other General Government shows a favorable variance of \$68,319. This category includes the Town's contingency fund. Annually we budget a contingency for unexpected items, such as an employee changing from single insurance to family insurance. Just one employee making this change can cost the Town \$10,000. This year the Town did not need to use this fund, since our revenues were higher than expected.

Another large variance is in the Public Safety Fire Department category. The Fire Department had \$56,840 in savings. The majority of this savings was in personnel costs. A vacant position was filled a couple months into 2016. Additionally, a position was budgeted to have insurance, which did not take the insurance, which also resulted in a cost savings.

The majority of general fund costs to local governments are personnel related. For 2016, personnel costs were \$6,110,863, with an amended budget of \$6,267,029. This is 64% of the total general fund actual expenditures; therefore, when the Town has a favorable variance it is most likely resulting from savings in personnel costs.

The Town of Menasha is very proud of the its dedicated work force, who managed to accomplish this amazing fund balance increase with cost savings in the amount of \$446,287. The Town of Menasha Town Board and management staff continue to be fiscally responsible to the residents while managing operations.

The detailed schedule of revenues compared to budget and the detailed schedule of expenditures compared to budget can be found on pages 95 to 97 of this report.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

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

Governmental Funds (cont.)

Tax Incremental Districts (TIDs) Special Revenue Funds

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.

TID#1

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 2017. 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 2018, this special revenue fund has a deficit balance at the end of 2016, in the amount of \$25,148. 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.

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. Since tax revenues will not start to be generated until 2018, this special revenue fund has a deficit balance at the end of 2016, in the amount of \$14,431. 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.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

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

Governmental Funds (cont.)

Debt Service Fund (cont.)

The debt service fund balance decreased \$111,126 to \$860,059; of this amount, \$90,000 is considered restricted for a long-term loan receivable. The debt service assets available for future debt service payments decreased \$124,326 to \$3,128,838 and the liabilities and deferred inflows decreased \$13,200 to \$2,268,779.

Capital Projects Fund

All government borrowed funds for capital purchases are received and expended in this fund. In 2016, the fund balance was (\$260,446), which is a decrease of \$1,272,258 from 2015. Normally, any fund balance in the Capital Projects Fund would be considered restricted or assigned for future capital projects. However, in this case, the Capital Project Funds was advanced funds from the General Fund for this deficit. Normally, the Town borrows for capital projects annually; however, this borrowing did not occur until April 2017.

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 for 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 2016, this fund had a fund balance of \$3,009,828 or 26% of the total governmental fund balance. This compares to \$2,704,291 or 22% in 2015, \$2,362,688 or 21% in 2014, and \$2,641,424 or 24% in 2013. 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

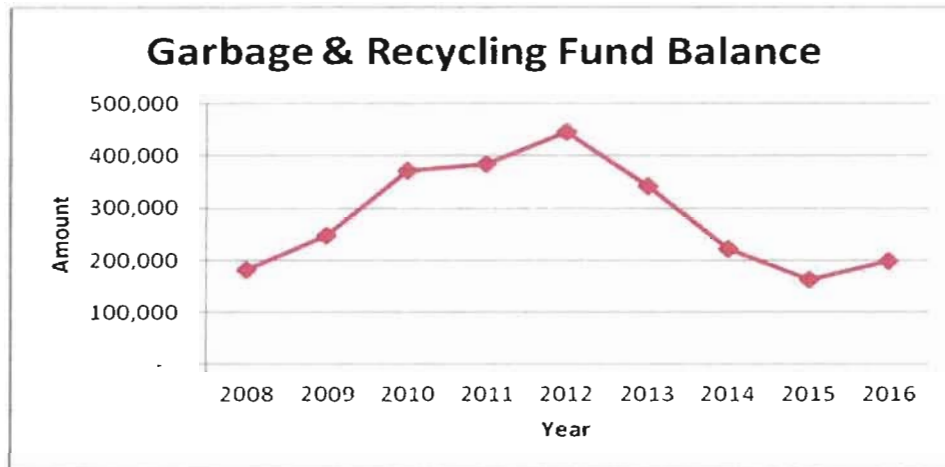
As of and For Year Ended December 31, 2016

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

Governmental Funds (cont.)

Garbage Collection and Recycling Special Revenue Fund (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 seventh debt service payment occurred in 2016.



Over the last several years, the Town of Menasha has been using fund balance to offset the garbage and recycling program; therefore, for fiscal years 2015 and 2016, the Town of Menasha Board of Supervisors increased the annual garbage and recycling fee. The Town has also approved an additional \$10 rate increase for 2017 operations. The Town's goal is to increase the rate over time to the level needed for operating this activity, and to increase this special revenue fund's fund balance for future needs. Prior to the 2015 rate increase, rates had not been changed since 2008. As can be seen in the financial statements, for 2016 this program had its first net increase since 2012, in the amount of \$35,446, compared to a net decrease of \$58,894 in 2015.

For fiscal year 2016, the Town had a positive revenue variance from budget in the amount of \$9,087, expenditures were under budget in the amount of \$67,818, and transfers out were \$19,870 over budget. The majority of the transfers out are for labor and equipment costs that are reimbursed to the general fund. The calculation is based on actual hours devoted to the program. Additionally, \$21,589 of fund balance was budgeted to offset the 2016 budget, which was not needed. Overall, this resulted in a fund balance increase of \$35,446 to this fund, which was more favorable than budgeted by \$57,035

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) UNAUDITED

As of and For Year Ended December 31, 2016

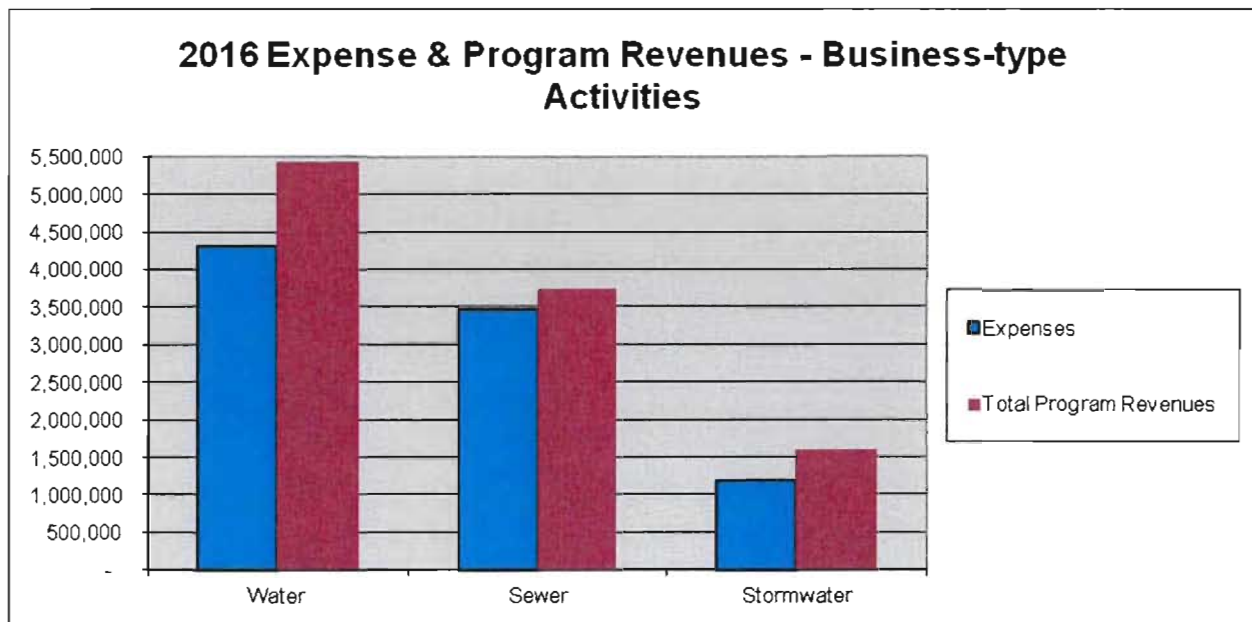
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

Proprietary Funds

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

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

The Town of Menasha 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 2016 the coverage requirement was \$1,988,753 and the utility generated \$861,344 above the requirement or 1.79 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. The utility's net revenues were higher than last year, even with annual cost increases, due to a 3% sewer rate increase in January 2016.



TOWN OF MENASHA, WISCONSIN

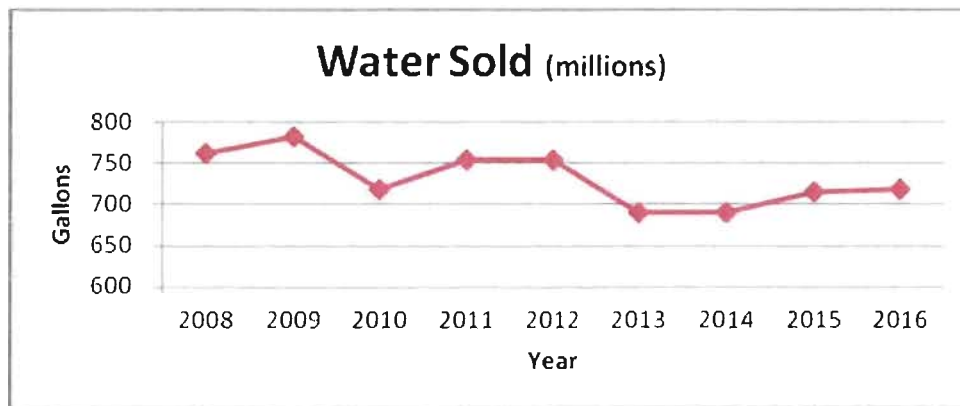
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)
UNAUDITED
As of and For Year Ended December 31, 2016

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

Proprietary Funds (cont.)

Water Utility

In 2016, developers contributed \$65,578 of the water utility infrastructure to accommodate the growth that occurred in the Town of Menasha Utility District. This is compared to \$163,386 in 2015, \$35,096 in 2014, \$0 in 2013 and \$4,287 in 2012. Water infrastructure contributions had a good year for development with two main development projects.



In 2016, the Town had 718 million gallons of water sold as compared to 715 million in 2015, 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 714 million gallons. The Town of Menasha Utility's last water rate increase was in March 2012, which was approved by the Wisconsin Public Service Commission.

Comparing water service revenues, 2016 shows a slight decrease of \$3,871 from 2015. Overall, the water operating revenue was more than operating expenses by \$1,267,481, and net position increased by \$580,537.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

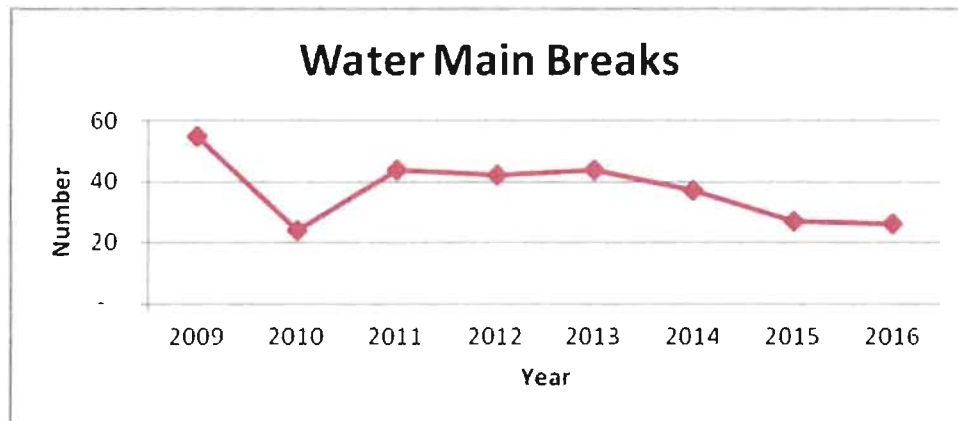
As of and For Year Ended December 31, 2016

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

Proprietary Funds (cont.)

Water Utility (cont.)

Since 1998, the Town of Menasha Utility District has been very aggressive with water main replacements. This is due to the number of water main breaks that occur in the utility. In 2003, the Water Utility hit an all time high in the number of water main breaks, 127; however, due to the aggressive main replacements, the number has decreased to 26 in 2016 and is below the five year average of 35 water main breaks. The associated overtime hours for water breaks has also decreased from 1,290 hours in 2003 to 289 hours in 2016. We estimate that a water main break costs the Town approximately \$4,150 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 2016, the Water Utility replaced approximately 0.50 miles of ductile iron water main, compared to 0.88 miles in 2015, 1.1 miles in 2014, 1.1 miles in 2013, and 0.6 miles in 2012. 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 133.36 miles of water mains, with approximately 23%, or 31.24 miles, of ductile iron water mains and 77%, or 102.12 miles, of PVC water mains.

Sewer Utility

The Sewer Utility maintains 118.87 miles of sewer mains, and eight lift stations. In 2016, there was \$48,423 in developer contributions from two projects, compared to \$58,385 in 2015 and \$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 had been decreasing; however, in 2016 the usage increased 14 million gallons. Additionally, the Sewer Utility increased rates 3% in January 2016. Due to the increased consumption and rates, the 2016 revenue generated was the highest in the past 10 years.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

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

Proprietary Funds (cont.)

Sewer Utility (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 2016 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. After the project, the flow meters are reinstalled in the same locations to evaluate the effectiveness of this project compared to the cost. The 2016 non-operating cost for the discount to the customers and televising customer laterals was \$18,442 compared to \$16,789 in 2015, \$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, 2016

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

Proprietary Funds (cont.)

Stormwater Utility

On August 3, 2009, the Town of Menasha Town Board of Supervisors approved the formation of the Town of Menasha Stormwater Utility. The utility was formed to create a funding source for the federal and state unfunded stormwater mandates. The Wisconsin Department of Natural Resources (DNR) had imposed strict particulate reduction guidelines, which required the construction of several stormwater detention ponds. Additionally, the Wisconsin Legislature imposed levy limits on municipalities. To meet the required mandates and to stay within the levy limits, the Town of Menasha was forced to create a stormwater utility to fund the costs associated with stormwater management. Even though the Town of Menasha formed this utility in 2009; the charges to the property owners did not begin until January 1, 2010. Due to the delay in revenue collection, the Town of Menasha General Fund advanced the Stormwater Utility for its 2009 operating costs. Additionally, the governmental fund has transferred the associated stormwater assets and debt liability to this proprietary fund. The debt payments previously paid on the outstanding debt issues for stormwater associated assets are required to be repaid to the general fund over the next several years, along with the advance for stormwater utility operations. Currently, the Stormwater Utility has four large regional wet ponds and 52 miles of storm mains. The remaining road infrastructure is supported by culvert and ditching systems. The Sewer Utility maintains 118.87 miles of sewer mains, and eight lift stations.

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 was the lead agent on this project, so the entire Clean Water Fund Loan (CWFL) is in the Town'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, 2016

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

Proprietary Funds (cont.)

Stormwater Utility (cont.)

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

While the changes in state statute and the recalculation of the Town's TSS removal model have eased the immediate stormwater requirements for the Town, the Environmental Protection Agency (EPA) has been reviewing stormwater policies within certain watersheds in the State of Wisconsin and may look to impose federal stormwater regulations that would likely impact the Town 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 2016, in conjunction with the WIS 441 Tri-County Project, the Stormwater Utility began work on the expansion of the Tayco Road Pond, with the City of Menasha and the Wisconsin Department of Transportation (DOT). With this project, the DOT will be constructing the expansion; however, the Town and City will be responsible for the maintenance of the pond. With this joint expansion, the Town will realize additional particulate reduction without construction costs at approximately 15,800 pounds per year.

In 2016, there was \$22,606 in developer contributions from the Prairie Lake Circle project, compared to \$310,385 in 2015 from the E Shady Lane grant. In 2014 and 2013 there were not any contributions; however, in 2012 the Utility received \$27,419 from the N Lake Street project.

In 2016, the Stormwater Utility earned \$1.6 million in operating revenue and had \$1.5 million in operating expenses, with \$0.5 million operating income. This compares to \$1.6 million in operating revenue, \$1.5 million in operating expenses and \$86 thousand operating income in 2015. One of the main reasons for the increase in expenses 2015 compared to 2016 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 completed in 2015 and had a large impact to operating expenses.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

CAPITAL ASSETS

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

	Governmental		Business-		Totals		Total
	Activities		type				Percentage
	2015	2016	2015	2016	2015	2016	2015-2016
Land and Land Rights	30.06	30.44	1.20	1.20	31.26	31.64	1.22%
Land Improvements	0.17	0.20	-	-	0.17	0.20	17.65%
Buildings	7.11	7.06	-	-	7.11	7.06	(0.70%)
Computer Software & Equip	0.12	0.13	-	-	0.12	0.13	8.33%
Machinery and Equipment	1.79	1.55	2.20	2.38	3.99	3.93	(1.50%)
Vehicles	1.42	1.45	-	-	1.42	1.45	2.11%
Roadways	16.09	15.72	-	-	16.09	15.72	(2.30%)
Trails	2.23	2.12	-	-	2.23	2.12	(4.93%)
Source of Supply	-	-	1.50	1.44	1.50	1.44	(4.00%)
Pumping	-	-	0.98	0.93	0.98	0.93	(5.10%)
Treatment	-	-	0.90	0.80	0.90	0.80	(11.11%)
Trans. & Dist./Collection	-	-	56.98	57.45	56.98	57.45	0.82%
Construction in progress	0.02	0.42	0.76	0.15	0.78	0.57	(26.92%)
Total	59.01	59.09	64.52	64.35	123.53	123.44	(0.07%)

(Totals may vary due to rounding.)

At the end of 2016, the Town had invested a total of \$123 million in capital assets (net of accumulated depreciation), which is the same as in 2015. In 2014, the Town had \$122 million invested in net capital assets. This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress.

As seen in the above table, the most significant percentage change from 2015 to 2016 in capital assets, net of accumulated depreciation, was in land and land rights. In 2016, the actual amount of right-of-way was evaluated and compared to the amount on our financials. The final evaluation resulted in an increase to the quantity of right-of-way, which in turn increased the amount of the capital assets on the Town's financial statements.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

CAPITAL ASSETS (cont.)

The second largest change 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 and partial construction for the Wittmann Park project. Below is a summary of the major 2016 capital assets.

Timber Run Project:

Work consisted of the road reconstruction with the installation of storm sewer main and storm sewer laterals on Timber Run Drive. The cost was \$262,100, with 70% governmental and 30% Storm Utility assets.

Salt Shed Addition:

In 2016, an additional salt shed was built for road salt storage. The State of Wisconsin does an annual bid for the state's road salt. As part of this process, state municipalities can submit their annual salt tonnage needs. Under a new recent procedure change with the state, the local community must take delivery of the entire amount of salt requested under the contract. Previously the communities were able to order in installments to fulfill the amount initially placed in the State's bid. To ensure the necessary annual road salt is available to the Town at the maximum savings, the Town needed to build an addition to our current salt shed. This asset cost was \$165,000.

Wittmann Park (Phase I & II):

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. This project is in Construction in Progress at a current amount of \$0.4 million.

Water Main Replacements:

In 2016, the Water Utility replacements included 2467 feet of main replacements on Lakeshore Drive and Pages Point at a cost of \$0.4 million.

Sewer Main Replacements:

In 2016, the Sewer Utility replacements included finishing the 2015 replacements on Lakeshore Drive, Tayco Street, Emily Street, and American Drive for 4,661 feet, at a cost of \$0.7 million. The 2016 Sewer Utility projects included 810 feet of replacements on Racine Ave and Ninth Street at a cost of \$87,000.

TOWN OF MENASHA, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

UNAUDITED

As of and For Year Ended December 31, 2016

CAPITAL ASSETS (cont.)

Sewer Lift Station # 4 Upgrades:

The Utility's Sewer Lift Station #4, Forster Street, was upgraded in 2016. The upgrades included replacing the pumping equipment, piping, valves, fittings, and hatch. Also the SCADA system, electrical VFDs and wiring were updated. The total cost of this project was \$120,000.

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

LONG-TERM DEBT

In 2016, the Town of Menasha did not issue any new debt. For 2016 projects, the Water and Sewer Utilities borrowed funds with the 2015 Revenue Bonds. In the governmental funds, the Town of Menasha advanced funds from the General Fund balance, as needed.

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 17,811,297 which is considerably below the maximum of 75,124,720.

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

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2015	2016	2015	2016	2015	2016	2015-2016
General Obligation	10.16	8.12	10.38	9.70	20.54	17.82	(13.24%)
Revenue Bonds	-	-	17.38	15.84	17.38	15.84	(8.86%)
Total	10.16	8.12	27.76	25.54	37.92	33.66	(11.23%)

(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, 2016

LONG-TERM DEBT (cont.)

For many years, the Town of Menasha has continued to maintain its high Aa2 rating for General Obligation debt and an A1 rating for revenue bonds from Moody's Investors Services. The Town of Menasha/Village of Fox Crossing was rated in 2015 and again in 2017, prior to the release of the CAFR. At both times, the Town/Village maintained this rating.

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

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

Subsequent Debt Issue

On March 16, 2017, the Village of Fox Crossing closed on General Obligation Promissory Notes in the amount of \$2,645,000. This debt is for the 2016 and 2017 Village and Stormwater capital projects.

On April 13, 2017, the Village of Fox Crossing closed on Water and Sewerage System Revenue Bonds, in the par amount of \$6,020,000. This debt issue included \$3,670,000 for new projects and \$2,350,000 to refund the April 2007 and May 2008 Utility Revenue Bonds. With this refinance, the Utility saved \$202,394 in present value savings over the remaining life of the debt.

TID #3

On April 11, 2017, the Joint Review Board for Tax Incremental District #3 approved the Village of Fox Crossing's third TID. The project encompasses 68.9 acres of land located to the west of County Highway CB, just north of the Village Municipal Complex. TID #3 is estimated to generate between \$30 and \$90 million of new tax base during its 20 year life, along with between \$10 and \$30 million of tax increment. This TID is for the corporate headquarters of Secura Insurance Company, which will be built by the end of 2020.

REQUESTS FOR INFORMATION

The financial report is designed to provide the Town of Menasha's (now Village of Fox Crossing) citizens, customers, investors and creditors with a general overview of the Town/Village's finances. If you have questions about this report or need any additional information, contact the Town of Menasha/Village of Fox Crossing, Finance Director Myra Piergrossi, 2000 Municipal Drive, Neenah, Wisconsin, 54956, call 920.720.7106, or e-mail mpiergrossi@foxcrossingwi.gov. General information relating to the Town of Menasha, now the Village of Fox Crossing, Wisconsin, can be found at the Village's website, www.foxcrossingwi.gov.

BASIC FINANCIAL STATEMENTS

TOWN OF MENASHA, WISCONSIN

Statement of Net Position

As of December 31, 2016

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Investments	\$ 10,845,164	\$ 5,584,472	\$ 16,429,636
Restricted Cash	-	4,970,357	4,970,357
Receivables:			
Taxes	9,603,745	-	9,603,745
Delinquent Personal Property Taxes	4,777	-	4,777
Accounts	407,770	2,186,111	2,593,881
Loans	90,000	-	90,000
Accrued Interest	4,850	8,452	13,302
Prepays	95,746	49,218	144,964
Internal Balances	(98,367)	98,367	-
Due from Other Governments	3,435	46,400	49,835
Current Portion of Advance to Neenah- Menasha Sewerage Commission	-	146,502	146,502
Current Portion of Advance to Grand Chute- Menasha West Regional Plant	-	306,227	306,227
Inventories	-	74,558	74,558
Total Current Assets	<u>20,957,120</u>	<u>13,470,664</u>	<u>34,427,784</u>
Noncurrent Assets			
Investments	952,465	375,085	1,327,550
Special Assessments	281,484	448,217	729,701
Due from Other Governments	-	463,100	463,100
Advance to Neenah-Menasha Sewerage Commission	-	2,725,415	2,725,415
Advance to Grand Chute-Menasha West Regional Plant	-	4,228,134	4,228,134
Property Held for Future Use	-	74,373	74,373
Preliminary Survey and Investigation	-	16,303	16,303
Capital Assets, Nondepreciable:			
Land	30,412,029	1,205,314	31,617,343
Easements	30,818	-	30,818
Construction in Progress	417,378	151,991	569,369
Capital Assets, Depreciable	52,120,103	89,710,380	141,830,483
Less: Accumulated Depreciation	(23,896,182)	(26,713,062)	(50,609,244)
Total Noncurrent Assets	<u>60,318,095</u>	<u>72,685,250</u>	<u>133,003,345</u>
TOTAL ASSETS	<u>81,275,215</u>	<u>86,155,914</u>	<u>167,431,129</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	4,552	4,552
Deferred Outflows Related to Pension	3,158,000	711,624	3,869,624
Total Deferred Outflows of Resources	<u>3,158,000</u>	<u>716,176</u>	<u>3,874,176</u>

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN
Statement of Net Position - Continued
As of December 31, 2016

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 443,990	\$ 581,577	\$ 1,025,567
Accrued and Other Current Liabilities	306,219	33,639	339,858
Deposits	181,923	-	181,923
Accrued Interest Payable	88,015	150,780	238,795
Long-term Liabilities Due Within One Year	2,226,378	2,599,216	4,825,594
Total Current Liabilities	<u>3,246,525</u>	<u>3,365,212</u>	<u>6,611,737</u>
Non-Current Liabilities			
Due in More than One Year	7,277,132	23,562,358	30,839,490
Total Liabilities	<u>10,523,657</u>	<u>26,927,570</u>	<u>37,451,227</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Periods	9,286,774	-	9,286,774
Deferred Inflows Related to Pension	1,197,363	269,814	1,467,177
Total Deferred Inflows of Resources	<u>10,484,137</u>	<u>269,814</u>	<u>10,753,951</u>
NET POSITION			
Net Investment in Capital Assets	50,861,919	46,414,372	97,276,291
Restricted:			
General Government	1,443	-	1,443
Public Safety	84,299	-	84,299
Public Works	199,178	-	199,178
Leisure Activities	240,978	-	240,978
Community Development	8,725	-	8,725
Debt Service and Equipment Replacement	90,000	3,653,038	3,743,038
Pension Benefits	1,391,752	313,617	1,705,369
Unrestricted	10,547,127	9,293,679	19,840,806
TOTAL NET POSITION	<u>\$ 63,425,421</u>	<u>\$ 59,674,706</u>	<u>\$ 123,100,127</u>

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TOWN OF MENASHA, WISCONSIN

Statement of Activities

For the Year Ended December 31, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
FUNCTIONS/PROGRAMS				
GOVERNMENTAL ACTIVITIES				
General Government	\$ 1,920,920	\$ 168,979	\$ 39,850	\$ 1,807
Public Safety	5,097,597	589,156	98,623	11,484
Public Works	3,771,355	1,122,811	800,813	395,608
Leisure Activities	1,202,188	266,799	-	25,473
Conservation and Development	150,919	28,600	18,665	-
Interest on Debt	183,866	-	26,487	-
Total Governmental Activities	<u>12,326,845</u>	<u>2,176,345</u>	<u>984,438</u>	<u>434,372</u>
BUSINESS-TYPE ACTIVITIES				
Water Utility	4,318,355	5,227,329	86,250	118,074
Sewer Utility	3,466,367	3,547,546	11,489	174,497
Storm Water Utility	1,188,622	1,571,982	-	22,608
Total Business-Type Activities	<u>8,973,344</u>	<u>10,346,857</u>	<u>97,739</u>	<u>315,179</u>
Total Government	<u>\$ 21,300,189</u>	<u>\$ 12,523,202</u>	<u>\$ 1,082,177</u>	<u>\$ 749,551</u>

GENERAL REVENUES

Taxes:

General Property Taxes

Debt Service Levy

Other Taxes

Federal and State Grants and Other Contributions

Not Restricted to Specific Functions

Interest and Investment Earnings

Miscellaneous

Total General Revenues

TRANSFER

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR

NET POSITION - END OF YEAR

See Accompanying Notes

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

<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
\$ (2,061,441)	\$ -	\$ (2,061,441)
(4,398,334)	-	(4,398,334)
(1,100,966)	-	(1,100,966)
(909,916)	-	(909,916)
(103,654)	-	(103,654)
(157,379)	-	(157,379)
<u>(8,731,690)</u>	<u>-</u>	<u>(8,731,690)</u>
-	1,113,298	1,113,298
-	267,165	267,165
-	405,968	405,968
<u>-</u>	<u>1,786,431</u>	<u>1,786,431</u>
<u>(8,731,690)</u>	<u>1,786,431</u>	<u>(6,945,259)</u>
6,192,996	-	6,192,996
1,921,980	-	1,921,980
62,489	-	62,489
586,525	-	586,525
94,186	82,948	177,134
355,065	11,403	366,468
<u>9,213,241</u>	<u>94,351</u>	<u>9,307,592</u>
<u>560,344</u>	<u>(560,344)</u>	<u>-</u>
1,041,895	1,320,438	2,362,333
<u>62,383,526</u>	<u>58,354,268</u>	<u>120,737,794</u>
<u>\$ 63,425,421</u>	<u>\$ 59,674,706</u>	<u>\$ 123,100,127</u>

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN

Balance Sheet
Governmental Funds
As of December 31, 2016

	General	TID #1	TID #2	Debt Service
ASSETS				
Cash and Investments	\$ 7,376,503	\$ -	\$ -	\$ 768,016
Receivables:				
Taxes	6,608,133	337	-	1,987,295
Delinquent Personal Property Taxes	4,777	-	-	-
Accounts	375,620	-	-	2,043
Special Assessments	-	-	-	281,484
Loans	-	-	-	90,000
Accrued Interest	4,241	-	-	-
Prepaid Items	95,746	-	-	-
Due from Other Funds	225,647	-	-	-
Due from Other Governments	3,435	-	-	-
Advance to Other Funds	258,183	-	-	-
TOTAL ASSETS	<u>\$ 14,952,285</u>	<u>\$ 337</u>	<u>\$ -</u>	<u>\$ 3,128,838</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts Payable	\$ 286,510	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	306,219	-	-	-
Deposits	181,923	-	-	-
Due to Other Funds	316,971	-	-	-
Advance from Other Fund	-	25,148	14,431	-
Total Liabilities	<u>1,091,623</u>	<u>25,148</u>	<u>14,431</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable - Special Assessments	-	-	-	281,484
Unavailable - Other	149,710	-	-	-
Taxes Levied for Subsequent Periods	6,291,162	337	-	1,987,295
Total Deferred Inflows of Resources	<u>6,440,872</u>	<u>337</u>	<u>-</u>	<u>2,268,779</u>
Fund Balances (Deficit)				
Nonspendable:				
Delinquent Personal Property Taxes	4,777	-	-	-
Prepaid Items	95,746	-	-	-
Advances to Other Funds	258,183	-	-	-
Restricted				
Debt Service	-	-	-	90,000
Equitable Sharing	-	-	-	-
Garbage Collection/Recycling	-	-	-	-
Public Protection	-	-	-	-
Other Special Purposes	-	-	-	-
Committed:				
Stabilization Funds	2,132,147	-	-	-
Assigned:				
Accrued Sick Leave and Vacation	712,398	-	-	-
Carry Forward Appropriations	566,888	-	-	-
Debt Service	-	-	-	770,059
Equipment Replacement	-	-	-	-
Unassigned:				
General Fund	3,649,651	-	-	-
Special Revenue Fund Deficit	-	(25,148)	(14,431)	-
Capital Projects Funds Deficit	-	-	-	-
Total Fund Balances (Deficits)	<u>7,419,790</u>	<u>(25,148)</u>	<u>(14,431)</u>	<u>860,059</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 14,952,285</u>	<u>\$ 337</u>	<u>\$ -</u>	<u>\$ 3,128,838</u>

See Accompanying Notes

Capital Projects	Equipment Replacement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,009,219	\$ 643,891	\$ 11,797,629
-	-	1,007,980	9,603,745
-	-	-	4,777
-	-	13,413	391,076
-	-	-	281,484
-	-	-	90,000
-	609	-	4,850
-	-	-	95,746
-	-	-	225,647
-	-	-	3,435
-	-	-	258,183
<u>\$ -</u>	<u>\$ 3,009,828</u>	<u>\$ 1,665,284</u>	<u>\$ 22,756,572</u>
\$ 34,799	\$ -	\$ 122,681	\$ 443,990
-	-	-	306,219
-	-	-	181,923
225,647	-	-	542,618
-	-	-	39,579
<u>260,446</u>	<u>-</u>	<u>122,681</u>	<u>1,514,329</u>
-	-	-	281,484
-	-	-	149,710
-	-	1,007,980	9,286,774
-	-	1,007,980	9,717,968
-	-	-	4,777
-	-	-	95,746
-	-	-	258,183
-	-	-	90,000
-	-	2,398	2,398
-	-	199,178	199,178
-	-	57,246	57,246
-	-	275,801	275,801
-	-	-	2,132,147
-	-	-	712,398
-	-	-	566,888
-	-	-	770,059
-	3,009,828	-	3,009,828
-	-	-	3,649,651
(260,446)	-	-	(39,579)
<u>(260,446)</u>	<u>3,009,828</u>	<u>534,623</u>	<u>11,524,275</u>
<u>\$ -</u>	<u>\$ 3,009,828</u>	<u>\$ 1,665,284</u>	<u>\$ 22,756,572</u>

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
As of December 31, 2016

Total Fund Balances - Governmental Funds \$ 11,524,275

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. 59,084,146

Other assets that 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	281,484
Court Receivables	149,710

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	16,694
-------------------------------------	--------

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 Liability	(568,885)
Deferred Outflows of Resources Related to Pension	3,158,000
Deferred Inflows of Resources Related to Pension	(1,197,363)

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	(8,116,160)	
Bond Premium	(106,067)	
Compensated Absences	(712,398)	
Accrued Interest on Long-Term Obligations	(88,015)	(9,022,640)

Total Net Position - Governmental Activities \$ 63,425,421

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TOWN OF MENASHA, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Governmental Funds
For the Year Ended December 31, 2016

	General	TID #1	TID #2	Debt Service
REVENUES				
Taxes	\$ 6,255,485	\$ -	\$ -	\$ 1,921,980
Intergovernmental	1,428,268	-	-	26,487
Licenses and Permits	601,224	-	-	-
Fines and Forfeits	196,023	-	-	-
Public Charges for Services	140,341	-	-	58,265
Special Assessments	16,823	-	-	38,750
Investment Income	59,979	-	-	21,893
Miscellaneous	301,048	-	-	-
Total Revenues	8,999,191	-	-	2,067,375
EXPENDITURES				
General Government	1,783,876	-	-	-
Public Safety	4,476,029	-	-	-
Public Works	1,854,955	-	-	-
Liesure Activities	747,392	-	-	-
Conservation and Development	135,475	1,783	5,189	-
Debt Service				
Principal	-	-	-	2,046,892
Interest and Fiscal Charges	-	-	-	245,195
Capital Outlay	-	-	-	-
Total Expenditures	8,997,727	1,783	5,189	2,292,087
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,464	(1,783)	(5,189)	(224,712)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Transfers In	737,521	-	-	114,241
Transfers Out	(602,800)	(12,225)	(9,242)	(655)
Total Other Financing Sources (Uses)	134,721	(12,225)	(9,242)	113,586
NET CHANGE IN FUND BALANCES (DEFICITS)	136,185	(14,008)	(14,431)	(111,126)
FUND BALANCES (DEFICIT) - BEGINNING	7,283,605	(11,140)	-	971,185
FUND BALANCES (DEFICITS) - ENDING	\$ 7,419,790	\$ (25,148)	\$ (14,431)	\$ 860,059

See Accompanying Notes

Capital Projects	Equipment Replacement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 8,177,465
-	-	75,462	1,530,217
-	-	-	601,224
-	-	-	196,023
-	-	1,128,946	1,327,552
-	-	-	55,573
3,246	7,942	1,125	94,185
389,186	-	63,828	754,062
<u>392,432</u>	<u>7,942</u>	<u>1,269,361</u>	<u>12,736,301</u>
-	-	815	1,784,691
-	-	19,185	4,495,214
216,685	-	834,166	2,905,806
-	-	7,214	754,606
-	-	2,195	144,642
-	-	-	2,046,892
-	-	-	245,195
1,448,005	399,442	-	1,847,447
<u>1,664,690</u>	<u>399,442</u>	<u>863,575</u>	<u>14,224,493</u>
<u>(1,272,258)</u>	<u>(391,500)</u>	<u>405,786</u>	<u>(1,488,192)</u>
-	94,737	-	94,737
-	602,300	500	1,454,562
-	-	(269,296)	(894,218)
-	<u>697,037</u>	<u>(268,796)</u>	<u>655,081</u>
(1,272,258)	305,537	136,990	(833,111)
<u>1,011,812</u>	<u>2,704,291</u>	<u>397,633</u>	<u>12,357,386</u>
<u>\$ (260,446)</u>	<u>\$ 3,009,828</u>	<u>\$ 534,623</u>	<u>\$ 11,524,275</u>

TOWN OF MENASHA, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016

Net Change in Fund Balances (Deficits) - Total Governmental Funds \$ (833,111)

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	1,847,447	
Depreciation expense reported in the statement of activities	1,760,351	
Amount by which capital outlays are greater than depreciation in current period		87,096

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, developer credits for land purchases, and donations) is to decrease net position. (15,820)

Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements. (295,671)

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	(27,328)	
Court	8,962	
		(18,366)

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: 2,046,892

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 less than amounts paid by 13,819

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 15,628

Governmental funds report debt discount/premium as expenditures/other financing sources. 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		41,428
--------------	--	--------

Change in Net Position - Governmental Activities \$ 1,041,895

TOWN OF MENASHA, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2016

	Business-Type Activities			
	Water	Sewer	Storm Water	Total
CURRENT ASSETS				
Cash and Investments	\$ 1,907,025	\$ 1,980,060	\$ 1,697,387	\$ 5,584,472
Restricted Cash and Investments	1,912,079	1,421,822	1,636,456	4,970,357
Receivables				
Customer	1,104,930	763,837	317,344	2,186,111
Accrued Interest	-	1,422	7,030	8,452
Due from Other Funds	88,218	132,589	96,164	316,971
Due from Other Governments	22,792	21,174	2,434	46,400
Current Portion of Advance to Neenah- Menasha Sewerage Commission	-	146,502	-	146,502
Current Portion of Advance to Grand Chute- Menasha West Regional Plant	-	306,227	-	306,227
Prepaid Items	21,826	14,185	13,207	49,218
Inventories	74,558	-	-	74,558
Total Current Assets	5,131,428	4,787,818	3,770,022	13,689,268
NON-CURRENT ASSETS				
Investments	-	375,085	-	375,085
Other Assets				
Special Assessments	22,442	101,968	323,807	448,217
Due from Other Governments	-	-	463,100	463,100
Advance to Neenah-Menasha Sewerage Commission	-	2,725,415	-	2,725,415
Advance to Grand Chute-Menasha West Regional Plant	-	4,228,134	-	4,228,134
Property Held for Future Sale	-	-	74,373	74,373
Preliminary Survey and Investigation	-	-	16,303	16,303
Total Other Assets	22,442	7,055,517	877,583	7,955,542
Capital Assets, Nondepreciable				
Land	150,700	64,705	989,909	1,205,314
Construction in Progress	-	18,927	133,064	151,991
Capital Assets				
Utility Plant	40,393,351	32,541,395	16,775,634	89,710,380
Less: Accumulated Depreciation	(12,599,411)	(10,474,239)	(3,639,412)	(26,713,062)
Net Capital Assets	27,944,640	22,150,788	14,259,195	64,354,623
Total Noncurrent Assets	27,967,082	29,581,390	15,136,778	72,685,250
Total Assets	33,098,510	34,369,208	18,906,800	86,374,518
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Advance Refunding	4,552	-	-	4,552
Deferred Outflows Related to Pension	361,810	193,868	155,946	711,624
Total Deferred Outflows of Resources	366,362	193,868	155,946	716,176

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN

Statement of Net Position - Continued

Proprietary Funds

As of December 31, 2016

	Business-Type Activities			
	Water	Sewer	Storm Water	Total
CURRENT LIABILITIES				
Accounts Payable	\$ 309,073	\$ 247,507	\$ 24,997	\$ 581,577
Accrued and Other Current Liabilities	18,459	9,141	6,039	33,639
Accrued Interest Payable	71,350	-	25,751	97,101
Current Portion of Compensated Absences	80,814	38,901	34,970	154,685
Current Portion of Advances from Other Fund	-	-	75,000	75,000
Current Portion of General Obligation Debt	132,050	146,502	574,751	853,303
Current Portion of Revenue Bonds	-	306,228	-	306,228
Current Liabilities Payable from Restricted Assets				
Current Portion of Revenue Bonds	863,125	421,875	-	1,285,000
Accrued Interest	40,661	13,018	-	53,679
Total Current Liabilities	<u>1,515,532</u>	<u>1,183,172</u>	<u>741,508</u>	<u>3,440,212</u>
NON-CURRENT LIABILITIES				
Advances from Other Fund	-	-	143,604	143,604
General Obligation Debt	1,845,126	2,725,415	4,271,293	8,841,834
Revenue Bonds	7,253,639	6,999,494	-	14,253,133
Unamortized Debt Premium	90,666	45,812	30,373	166,851
Unamortized Debt Discount	(6,005)	(309)	-	(6,314)
Compensated Absences	98,700	41,464	34,461	174,625
Net Pension Liability	65,177	34,924	28,092	128,193
Customer Advances for Construction	2,302	1,734	-	4,036
Total Noncurrent Liabilities	<u>9,349,605</u>	<u>9,848,534</u>	<u>4,507,823</u>	<u>23,705,962</u>
Total Liabilities	<u>10,865,137</u>	<u>11,031,706</u>	<u>5,249,331</u>	<u>27,146,174</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pension	137,181	73,506	59,127	269,814
NET POSITION				
Net Investment in Capital Assets	18,083,820	18,918,673	9,411,879	46,414,372
Restricted for				
Debt Service	420,318	-	-	420,318
Depreciation Account	465,003	581,315	1,528,317	2,574,635
Reserve Account	-	226,349	-	226,349
Plant Replacement	-	323,597	-	323,597
Construction Account	-	-	108,139	108,139
Pension Benefits	159,452	85,439	68,726	313,617
Unrestricted	3,333,961	3,322,491	2,637,227	9,293,679
TOTAL NET POSITION	<u>\$ 22,462,554</u>	<u>\$ 23,457,864</u>	<u>\$ 13,754,288</u>	<u>\$ 59,674,706</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, 2016

	Business-Type Activities			
	Water	Sewer	Storm Water	Total
OPERATING REVENUES				
Charges for Services	\$ 4,987,721	\$ 3,547,546	\$ 1,571,448	\$ 10,106,715
Other Receipts	239,608	-	534	240,142
Total Operating Revenues	<u>5,227,329</u>	<u>3,547,546</u>	<u>1,571,982</u>	<u>10,346,857</u>
OPERATING EXPENSES				
Operation and Maintenance	3,145,318	2,835,888	696,582	6,677,788
Depreciation	814,530	485,386	358,889	1,658,805
Total Operating Expenses	<u>3,959,848</u>	<u>3,321,274</u>	<u>1,055,471</u>	<u>8,336,593</u>
OPERATING INCOME	<u>1,267,481</u>	<u>226,272</u>	<u>516,511</u>	<u>2,010,264</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	16,180	40,248	26,520	82,948
Interest Subsidy	29,343	-	-	29,343
Loss on Disposal of Assets	(33,333)	(58,333)	(26,859)	(118,525)
Miscellaneous	11,403	(18,442)	-	(7,039)
State Grant	56,907	11,489	-	68,396
Interest and Amortization Expense	(325,174)	(68,318)	(106,292)	(499,784)
Total Non-Operating Revenues (Expenses)	<u>(244,674)</u>	<u>(93,356)</u>	<u>(106,631)</u>	<u>(444,661)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,022,807	132,916	409,880	1,565,603
CAPITAL CONTRIBUTIONS	118,074	174,497	22,608	315,179
TRANSFERS	<u>(560,344)</u>	<u>-</u>	<u>-</u>	<u>(560,344)</u>
CHANGE IN NET POSITION	580,537	307,413	432,488	1,320,438
NET POSITION - BEGINNING	<u>21,882,017</u>	<u>23,150,451</u>	<u>13,321,800</u>	<u>58,354,268</u>
NET POSITION - ENDING	<u>\$ 22,462,554</u>	<u>\$ 23,457,864</u>	<u>\$ 13,754,288</u>	<u>\$ 59,674,706</u>

TOWN OF MENASHA, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Business-Type Activities			
	Water Utility	Sewer Utility	Storm Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from User Charges	\$ 5,360,150	\$ 3,497,879	\$ 1,670,859	\$ 10,528,888
Cash Received from Municipality for Services	23,313	-	-	23,313
Cash Payments to Suppliers	(2,131,023)	(2,396,749)	(396,977)	(4,924,749)
Cash Payments to Employees	(808,517)	(483,722)	(363,790)	(1,656,029)
Cash Paid to Municipality for Services	-	44,518	(20,935)	23,583
Net Cash Flows From Operating Activities	2,443,923	661,926	889,157	3,995,006
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental grants	56,907	11,489	-	68,396
Tax Equivalent Paid to Municipality	(1,104,518)	-	-	(1,104,518)
Net Cash Flows From Noncapital and Related Financing Activities	(1,047,611)	11,489	-	(1,036,122)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments (Purchased) Sold/Matured	332,280	118,180	(514,840)	(64,380)
Interest Income	31,133	45,229	26,521	102,883
Net Cash Flows From Investing Activities	363,413	163,409	(488,319)	38,503
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(635,664)	(442,713)	(647,537)	(1,725,914)
Sale of Capital Assets	40,997	-	58,000	98,997
Capital Contributions - Customers	118,074	174,497	22,608	315,179
Interest Subsidy	30,837	-	-	30,837
Repayment of Advance from Other Funds	-	-	(77,721)	(77,721)
Special Assessments Received	5,557	52,118	221,631	279,306
Principal Payments on Long-Term Debt	(946,075)	(418,283)	(414,247)	(1,778,605)
Interest Payments on Long-term Debt	(350,531)	(82,099)	(103,986)	(536,616)
Net Cash Flows From Capital and Related Financing Activities	(1,736,805)	(716,480)	(941,252)	(3,394,537)
NET CHANGE IN CASH AND INVESTMENTS	22,920	120,344	(540,414)	(397,150)
CASH AND INVESTMENTS - BEGINNING	3,796,184	3,281,538	3,359,417	10,437,139
CASH AND INVESTMENTS - ENDING	\$ 3,819,104	\$ 3,401,882	\$ 2,819,003	\$ 10,039,989

TOWN OF MENASHA, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Business-Type Activities			
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income	\$ 1,267,481	\$ 226,272	\$ 516,511	\$ 2,010,264
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	814,530	485,386	358,889	1,658,805
Meter Depreciation Charged to Sewer	36,503	(36,503)	-	-
Miscellaneous	11,403	(18,442)	-	(7,039)
(Increase) Decrease in Operating Assets and Deferred Outflows of Resources				
Account Receivables	127,920	(43,423)	70,255	154,752
Due from Other Governments	(4,197)	(4,444)	28,622	19,981
Due from Other Funds	23,313	44,518	(20,935)	46,896
Prepaid Items	(2,983)	(1,535)	(1,837)	(6,355)
Inventories	(20,484)	-	-	(20,484)
Pension Asset	109,068	64,660	46,518	220,246
Deferred Outflows Related to Pension	(250,328)	(127,777)	(108,399)	(486,504)
(Decrease) Increase in Operating Liabilities and Deferred Inflows of Resources				
Accounts Payable	106,676	(48,790)	(89,172)	(31,286)
Accrued and Other Liabilities	3,572	3,223	1,285	8,080
Customer Advance for Construction	(2,305)	(1,800)	-	(4,105)
Compensated Absences	21,421	12,166	212	33,799
Pension Liability	65,177	34,924	28,092	128,193
Deferred Inflows Related to Pension	137,156	73,491	59,116	269,763
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 2,443,923</u>	<u>\$ 661,926</u>	<u>\$ 889,157</u>	<u>\$ 3,995,006</u>
RECONCILIATION OF CASH AND INVESTMENTS PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS				
Cash and Investments	\$ 1,907,025	\$ 1,980,060	\$ 1,697,387	\$ 5,584,472
Restricted Cash and Investments-Current	1,912,079	1,421,822	1,636,456	4,970,357
Investments-Non-Current	-	375,085	-	375,085
Total Cash and Investments	<u>3,819,104</u>	<u>3,776,967</u>	<u>3,333,843</u>	<u>10,929,914</u>
Less: Noncash Equivalents		(375,085)	(514,840)	(889,925)
TOTAL CASH PER STATEMENT OF CASH FLOWS	<u>\$ 3,819,104</u>	<u>\$ 3,401,882</u>	<u>\$ 2,819,003</u>	<u>\$ 10,039,989</u>
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES				
Reduction in Debt for Regional Treatment Plant	<u>\$ -</u>	<u>\$ 440,979</u>	<u>\$ -</u>	<u>\$ 440,979</u>

TOWN OF MENASHA, WISCONSIN

Statement of Net Position

Fiduciary Fund

As of December 31, 2016

	<u>Agency</u> <u>Tax Collection</u> <u>Fund</u>
ASSETS	
Cash and Investments	\$ 14,734,743
Receivables - Taxes	9,417,343
Total Assets	<u>\$ 24,152,086</u>
LIABILITIES	
Accounts Payable	\$ 1,162
Due to Other Governments	24,150,924
Total Liabilities	<u>\$ 24,152,086</u>

See Accompanying Notes

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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 standard 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, 2016

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, 2016

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.

TID #2

This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures related to the TID #2 project plan. This fund was created in 2016 and there was no budget prepared for the year ended December 31, 2016.

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, 2016

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
- Other Special Revenue

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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, 2016

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, 2016

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.

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, 2016

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 \$463,100.

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, 2016

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 report 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 report 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 four types of items, one which arises under both modified accrual and the full accrual basis of accounting, two that arise under the full accrual basis of accounting, and one that only arise 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, 2016

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 advances from the general fund to TID #1, TID #2 and the storm water fund in the current year.

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

Equity Classifications

Government-Wide Statements

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted component of net position – Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation reduced by liabilities related to those assets.
- Unrestricted component of net position – Is the net amount that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

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

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

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

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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 \$2,132,147.

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 \$3,649,651, or 34.2%, 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, 2016

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 15, 2016.

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. 72 *Fair Value Measurement and Application* for the year ended December 31, 2016. Statement No. 72 defines fair value, how fair value is measured, what assets and liabilities should be measured at fair value, and the information about fair value reported in the notes to the financial statements.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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, 2016, the Town's deposits had a bank balance of \$24,371,551. 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, 2016

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, 2016, 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, 2016:

Fully Insured Deposits		\$ 1,822,244
Collateralized with Securities held by the Pledging of Financial Institution in the Town's Name		22,377,786
Uncollateralized		<u>171,521</u>
Total		<u><u>\$ 24,371,551</u></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, 2016, the Town's investments were as follows:

Investment	Fair Value	12 months or less	13 to 24 months	25-60 months
Corporate Bonds	\$ 1,842,390	\$ 514,840	\$ 791,714	\$ 535,836
WI Local Government Investment Pool	11,579,541	11,579,541	-	-
Totals	<u><u>\$ 13,421,931</u></u>	<u><u>\$12,094,381</u></u>	<u><u>\$ 791,714</u></u>	<u><u>\$ 535,836</u></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, 2016

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, 2016, the Town's credit quality ratings are as follows:

Investment	Fair Value	AA+	A+	AA-	Not Rated
Corporate Bonds	\$ 1,842,390	\$1,306,554	\$ -	\$ 535,836	\$ -
WI Local Government Investment Pool	11,579,541	-	-	-	11,579,541
Totals	\$ 13,421,931	\$1,306,554	\$ -	\$ 535,836	\$11,579,541

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	\$ 1,306,554
Westpac Banking Corp	Bond	535,836
		<u>\$ 1,842,390</u>

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. No investments are reported at amortized costs. Adjustments necessary to record investments at fair value are recorded in the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds as increases or decreases in investment income.

- Level 1 - Valuation for assets are from quoted prices in active markets. These valuations are obtained from readily available pricing sources from market transactions involving identical assets.
- Level 2 - Valuation for assets are from less active markets. These valuations are obtained from third party pricing services for identical or similar assets.
- Level 3 - Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer durations. These valuations incorporate certain assumptions and projections in determining fair value assigned to such assets.

Investments	Level 1	Level 2	Level 3
General Electric Company Bonds	\$ 1,306,554	\$ -	\$ -
Westpac Banking Corp Bonds	535,836	-	-
WI Local Government Investment Pool	-	11,579,541	-
	<u>\$ 1,842,390</u>	<u>\$ 11,579,541</u>	<u>\$ -</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 3 - PROPERTY TAXES

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

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

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

NOTE 4 - INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

Interfund receivables and payables between individual funds of the Town as of December 31, 2016 are detailed below:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Utility	\$ 88,218	Due from tax roll - delinquent accounts
General Fund	Sewer Utility	132,589	Due from tax roll - delinquent accounts
General Fund	Storm Water Utility	96,164	Due from tax roll - delinquent accounts
Capital Projects	General Fund	225,647	Temporary Cash Deficit
Total		<u>\$ 542,618</u>	

Interfund transfers for the year ended December 31, 2016 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	\$ 602,300	Funding of equipment replacement
General Fund	Other Special Revenue	500	Funding of the sustainability account
Garbage Collection / Recycling	General Fund	127,635	Expenditure reimbursement
Garbage Collection / Recycling	Debt Service Fund	64,044	Share of debt service
Grants	General Fund	16,470	Expenditure reimbursement
Other Special Revenue	General Fund	10,950	Expenditure reimbursement
Other Special Revenue	Debt Service Fund	50,197	Share of debt service
Debt Service Fund	General Fund	655	Expenditure reimbursement
TID #1	General Fund	12,225	Expenditure reimbursement
TID #2	General Fund	9,242	Expenditure reimbursement
Water Fund	General Fund	560,344	Payment in lieu of taxes
Total		<u>\$1,454,562</u>	

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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

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 2017. 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 advanced funds to TID #1 and TID #2 for the initial costs of the fund. The advances to the TID's will be paid with future tax increments of the districts.

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	\$ 218,604	Advance
TID #1	General Fund	25,148	Advance
TID #2	General Fund	14,431	Advance
Total		<u>\$ 258,183</u>	

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>Balance 1/1/2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2016</u>
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 30,027,843	\$ 384,186	\$ -	\$ 30,412,029
Easements	30,818	-	-	30,818
Construction in Progress	15,199	406,072	3,893	417,378
Total Capital Assets not being Depreciated	<u>30,073,860</u>	<u>790,258</u>	<u>3,893</u>	<u>30,860,225</u>
Other Capital Assets				
Land Improvements	255,616	-	-	255,616
Buildings	11,231,756	350,402	-	11,582,158
Computer Software	314,731	10,000	68,753	255,978
Computer Equipment	197,300	9,445	-	206,745
Machinery and Equipment	4,563,168	115,962	105,237	4,573,893
Vehicles	3,834,803	330,839	199,913	3,965,729
Roads	27,566,832	237,726	22,973	27,781,585
Trails	3,491,691	6,708	-	3,498,399
Total Capital Assets being Depreciated	<u>51,455,897</u>	<u>1,061,082</u>	<u>396,876</u>	<u>52,120,103</u>
Less Accumulated Depreciation for:				
Land Improvements	52,366	8,520	-	60,886
Buildings	4,158,645	359,123	-	4,517,768
Computer Software	303,635	7,463	68,753	242,345
Computer Equipment	97,146	5,215	-	102,361
Machinery and Equipment	2,766,052	360,057	105,237	3,020,872
Vehicles	2,412,470	289,369	184,860	2,516,979
Roads	11,467,281	614,136	22,206	12,059,211
Trails	1,259,292	116,468	-	1,375,760
Total Accumulated Depreciation	<u>22,516,887</u>	<u>1,760,351</u>	<u>381,056</u>	<u>23,896,182</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>28,939,010</u>	<u>(699,269)</u>	<u>15,820</u>	<u>28,223,921</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 59,012,870</u>	<u>\$ 90,989</u>	<u>\$ 19,713</u>	<u>\$ 59,084,146</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Business-Type Activities				
Water				
Capital Assets not Being				
Depreciated:				
Land	\$ 150,700	\$ -	\$ -	\$ 150,700
Construction in Progress	3,110	-	3,110	-
Total Capital Assets not being				
Depreciated	153,810	-	3,110	150,700
Capital Assets being Depreciated				
Source of Supply	2,361,778	-	-	2,361,778
Pumping	1,042,936	8,336	9,688	1,041,584
Treatment	3,229,201	12,100	1,593	3,239,708
Transmission and Distribution	31,031,203	525,978	121,586	31,435,595
General	2,309,926	92,360	87,600	2,314,686
Total Capital Assets being				
Depreciated	39,975,044	638,774	220,467	40,393,351
Less: Accumulated Depreciation for:				
Source of Supply	857,923	63,590	-	921,513
Pumping	552,741	43,853	4,263	592,331
Treatment	2,334,509	105,260	1,593	2,438,176
Transmission and Distribution	6,983,536	534,914	93,677	7,424,773
General	1,165,806	103,416	46,604	1,222,618
Total Accumulated				
Depreciation	11,894,515	851,033	146,137	12,599,411
Total Capital Assets being				
Depreciated, Net of Depreciation	28,080,529	(212,259)	74,330	27,793,940
Water Capital				
Assets, Net of Accumulated				
Depreciation	\$28,234,339	\$ (212,259)	\$ 77,440	\$27,944,640

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Business-Type Activities				
Sewer				
Capital Assets not Being Depreciated:				
Land	\$ 64,705	\$ -	\$ -	\$ 64,705
Construction in Progress	664,881	18,927	664,881	18,927
Total Capital Assets not being Depreciated	729,586	18,927	664,881	83,632
Capital Assets being Depreciated				
Collection System	28,955,612	1,016,730	123,645	29,848,697
Collection System Pumping	1,522,143	46,634	35,838	1,532,939
General	1,134,456	25,303	-	1,159,759
Total Capital Assets being Depreciated	31,612,211	1,088,667	159,483	32,541,395
Less: Accumulated Depreciation for:				
Collection System	8,681,918	306,018	65,312	8,922,624
Collection System Pumping	1,026,987	62,077	35,839	1,053,225
General	417,602	80,788	-	498,390
Total Accumulated Depreciation	10,126,507	448,883	101,151	10,474,239
Total Capital Assets being Depreciated, Net of Depreciation	21,485,704	639,784	58,332	22,067,156
Sewer Capital Assets, Net of Accumulated Depreciation	\$22,215,290	\$ 658,711	\$ 723,213	\$22,150,788

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance 1/1/2016	Increases	Decreases	Balance 12/31/2016
Business-Type Activities				
Storm				
Capital Assets not Being Depreciated:				
Land	\$ 989,909	\$ -	\$ -	\$ 989,909
Construction in Progress	96,841	36,223	-	133,064
Total Capital Assets not being Depreciated	1,086,750	36,223	-	1,122,973
Capital Assets being Depreciated				
Storm Sewer	15,603,651	109,761	223	15,713,189
Equipment	677,657	501,553	116,765	1,062,445
Total Capital Assets being Depreciated	16,281,308	611,314	116,988	16,775,634
Less: Accumulated Depreciation for:				
Storm Sewer	2,952,594	261,042	223	3,213,413
Equipment	360,058	97,847	31,906	425,999
Total Accumulated Depreciation	3,312,652	358,889	32,129	3,639,412
Total Capital Assets being Depreciated, Net of Depreciation	12,968,656	252,425	84,859	13,136,222
Storm Capital Assets, Net of Accumulated Depreciation				
	\$ 14,055,406	\$ 288,648	\$ 84,859	\$ 14,259,195

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

Governmental Activities	
General Government	\$ 197,492
Public Safety	229,048
Public Works	888,829
Leisure Activities	444,982
Total Depreciation Expense - Governmental Activities	\$ 1,760,351
Business-Type Activities	
Water Utility	\$ 814,530
Sewer Utility	485,386
Storm Water Utility	358,889
Total Depreciation Expense - Business-type Activities	\$ 1,658,805

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, 2016

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, 2016:

	<u>Outstanding 1/1/16</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/16</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 10,163,052	\$ -	\$ 2,046,892	\$ 8,116,160	\$ 1,792,147
Premium	147,495	-	41,428	106,067	-
Total Bonds and Notes Payable	10,310,547	-	2,088,320	8,222,227	1,792,147
Compensated Absences	726,217	437,206	451,025	712,398	434,231
Net Pension Liability (Asset)	(834,574)	1,741,956	338,497	568,885	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 10,202,190</u>	<u>\$ 2,179,162</u>	<u>\$ 2,877,842</u>	<u>\$ 9,503,510</u>	<u>\$ 2,226,378</u>
Business-Type Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 10,376,467	\$ -	\$ 681,330	\$ 9,695,137	\$ 853,303
Revenue Bonds	17,382,615	-	1,538,254	15,844,361	1,591,228
Discounts	(7,339)	-	(1,025)	(6,314)	-
Premiums	209,754	-	42,903	166,851	-
Total Bonds and Notes Payable	27,961,497	-	2,261,462	25,700,035	2,444,531
Compensated Absences	295,511	176,696	142,897	329,310	154,685
Net Pension Liability (Asset)	(220,246)	424,716	76,277	128,193	-
Customer Advances for Construction	8,141	-	4,105	4,036	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 28,044,903</u>	<u>\$ 601,412</u>	<u>\$ 2,484,741</u>	<u>\$ 26,161,574</u>	<u>\$ 2,599,216</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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 12/31/16</u>
Governmental Activities					
Long-Term General Obligations					
2007 General Obligation Promissory Notes	04/02/07	04/01/17	3.75-3.80%	\$ 1,770,000	\$ 315,000
2008 General Obligation Promissory Notes	05/21/08	04/01/18	3.50-3.60%	298,734	94,959
2009 State Trust Fund/Build America Bonds	12/01/09	03/15/19	4.50%*	916,160	324,566
2010 State Trust Fund/Build America Bonds	12/28/10	03/15/20	3.75%*	2,885,120	1,336,635
2012 General Obligation Promissory Notes	11/13/12	10/01/22	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	1,200,000
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	1,040,000
Total Governmental Activities Long-Term General Obligations					<u>\$ 8,116,160</u>
Business-Type Activities					
Long-Term General Obligations					
2008 General Obligation Promissory Notes	05/21/08	04/01/18	3.50-3.60%	\$ 1,211,266	\$ 385,041
2010 Clean Water Fund Loan	01/13/10	05/01/29	3.15%	1,715,986	1,281,003
2010 State Trust Fund/Build America Bonds	12/28/10	03/15/29	3.75%*	2,373,875	1,777,176
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	2,871,917
2014 General Obligation Promissory Notes	08/18/14	04/01/24	2.00%	1,570,000	1,270,000
2015 General Obligation Promissory Notes	11/16/15	04/01/25	2.00%	520,000	490,000
Total Business-Type Activities Long-Term General Obligations					<u>\$ 9,695,137</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, 2016

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
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	740,000	34,737	836,957	182,537	1,576,957	217,274
2022-2026	1,135,000	33,794	3,416,787	584,434	4,551,787	618,228
2027-2031	-	-	1,823,843	161,199	1,823,843	161,199
2032	-	-	216,758	2,868	216,758	2,868
	<u>\$ 8,116,160</u>	<u>\$ 588,217</u>	<u>\$ 9,695,137</u>	<u>\$ 1,920,337</u>	<u>\$ 17,811,297</u>	<u>\$ 2,508,554</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 2016 equalized valuation of the Town as certified by the Wisconsin Department of Revenue is \$1,502,494,400. The legal debt limit and margin of indebtedness as of December 31, 2016, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Equalized Valuation of the Town	\$ 1,502,494,400
Statutory Limitation Percentage	5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	<u>75,124,720</u>
Outstanding General Obligation Debt	\$ 17,811,297
Funds Available in Debt Service Fund	<u>(870,059)</u>
Net Outstanding General Obligation Debt Applicable to Debt Limit	<u>16,941,238</u>
Legal Margin for New Debt	<u>\$ 58,183,482</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 \$18,470,398. Principal and interest paid for the current year and total customer gross revenues were \$1,997,257 and \$8,814,720, respectively.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

Revenue Debt (Continued)

Revenue debt payable at December 31, 2016 consists of the following:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/16</u>
Water Utility					
2007 Revenue Bonds	04/01/07	05/01/27	3.70-4.25%	\$ 1,983,529	\$ 1,323,772
2008 Revenue Bonds	05/21/08	05/01/28	2.80-4.50%	1,805,000	1,280,000
2012 Revenue Bonds	07/02/12	05/01/21	2.00-3.00%	1,367,863	804,625
2014 Revenue Bonds	02/03/14	05/01/23	2.00-2.55%	1,412,012	1,130,948
2015A Revenue Bonds	02/09/15	05/01/25	2.00-2.50%	2,788,652	2,441,529
2015B Revenue Bonds	11/16/15	05/01/35	0.60-3.50%	1,177,960	1,135,890
Total Water Utility Revenue Bonds					<u>\$ 8,116,764</u>
Sewer Utility					
2004 Revenue Bonds*	04/14/04	05/01/23	3.98%	\$ 1,595,338	\$ 148,826
2007 Revenue Bonds	04/01/07	05/01/27	3.70-4.25%	346,471	231,228
2009 Revenue Bonds*	11/25/09	05/01/29	2.67%	5,710,879	4,385,535
2012 Revenue Bonds	07/02/12	05/01/21	2.00-3.00%	757,137	445,375
2014 Revenue Bonds	02/03/14	05/01/23	2.00-2.55%	697,988	559,052
2015A Revenue Bonds	02/09/15	05/01/25	2.00-2.50%	1,991,348	1,743,471
2015B Revenue Bonds	11/16/15	05/01/35	0.60-3.50%	222,040	214,110
Total Sewer Utility Revenue Bonds					<u>\$ 7,727,597</u>

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

Debt service requirements to maturity are as follows:

	Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,505,309	253,722	1,759,031
2022-2026	5,415,008	746,289	6,161,297
2027-2031	1,964,134	158,900	2,123,034
2032-2035	360,000	25,725	385,725
	<u>\$ 15,844,361</u>	<u>\$ 2,626,037</u>	<u>\$ 18,470,398</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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, 2016 includes the following:

	Governmental Activities
Net Investment in Capital Assets	
Net Capital Assets	\$ 59,084,146
Less: Long-Term Debt Outstanding	(8,116,160)
Less: Unamortized Debt Premium	(106,067)
Net Investment in Capital Assets	<u>50,861,919</u>
Restricted for:	
General Government	
Santa Float	<u>1,443</u>
Public Safety	
Public Protection	57,246
PD National Night Out	9,192
PD Neighborhood Watch	428
PD Community Relations	2,338
PD Equitable Sharing	2,398
K-9 Unit	1,005
Fire Safety House	1,771
FD Citizen Academy	317
FD Safety Day	1,657
FD Safety Hunt	1,739
FD Public Education	899
Fire Thermal Image Camera	3,957
Fire Defibrillators	138
First Responders	476
Annual Car Event	738
Total Public Safety	<u>84,299</u>
Public Works	
Garbage Collection	<u>199,178</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 7 - NET POSITION (Continued)

GOVERNMENT- WIDE STATEMENTS (Continued)

	Governmental Activities
Restricted for:	
Leisure Activities	
Park Improvements	\$ 4,891
Friends of the Park	10,536
Disc Golf	52,322
Round Up Program	931
Boat Trailer Parking Fees	17,570
Indian Mound	208
Tree Planting	3,622
Woodland Prairie	8,528
Trail Donations	54
Special Events	2,638
Open Space	139,678
Total Leisure Activities	240,978
Community Development	
Directional Signage	2,339
Sustainability	6,386
Total Community Development	8,725
Debt Service	90,000
Pension Benefits	1,391,752
Total Restricted	2,016,375
Unrestricted	10,547,127
Total Government-Wide Net Position	\$ 63,425,421

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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	\$ 40,393,351	\$ 32,541,395	\$ 16,775,634
Land	150,700	64,705	989,909
Construction Work in Progress	-	18,927	133,064
Accumulated Depreciation	(12,599,411)	(10,474,239)	(3,639,412)
Subtotal	<u>27,944,640</u>	<u>22,150,788</u>	<u>14,259,195</u>
Less: Related Long-Term Debt Outstanding			
Current Portion of General Obligation Debt	132,050	-	574,751
Current Portion of Revenue Bonds	863,125	421,875	-
General Obligation Debt Invested in Capital Assets	1,845,126	-	4,271,293
Revenue Bonds Invested in Capital Assets	7,253,639	2,771,362	-
Unamortized Premium	90,666	45,812	30,373
Unamortized Loss on Advance Refunding and Debt Discount	(10,557)	(309)	-
Subtotal	<u>10,174,049</u>	<u>3,238,740</u>	<u>4,876,417</u>
Add: Unspent Debt Proceeds	<u>313,229</u>	<u>6,625</u>	<u>29,101</u>
Net Investment in Capital Assets	<u>\$ 18,083,820</u>	<u>\$ 18,918,673</u>	<u>\$ 9,411,879</u>

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 7 - NET POSITION (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

The following calculation supports the amount of restricted net position:

	Water Utility	Sewer Utility	Stormwater Utility
Restricted Net Position			
Restricted Assets			
Redemption Account	\$ 460,979	\$ 239,367	\$ -
Reserve Account	672,868	270,918	-
Unspent Debt Proceeds	313,229	6,625	-
Depreciation Account	465,003	581,315	1,528,317
Replacement Account	-	323,597	-
Construction Account	-	-	108,139
Pension Benefits	159,452	85,439	68,726
Total Restricted Assets	2,071,531	1,507,261	1,705,182
Less: Restricted Assets Not Funded by Revenues			
Reserve from Borrowing	(986,097)	(277,543)	-
Less: Current Liabilities Payable from Restricted Assets	(40,661)	(13,018)	-
Total Restricted Net Position	\$ 1,044,773	\$ 1,216,700	\$ 1,705,182
Purpose of Restricted Net Position			
Debt Service	\$ 420,318	\$ -	\$ -
Depreciation Account	465,003	581,315	1,528,317
Reserve Account	-	226,349	-
Replacement Account	-	323,597	-
Construction Account	-	-	108,139
Pension Benefits	159,452	85,439	68,726
Total Restricted Net Position	\$ 1,044,773	\$ 1,216,700	\$ 1,705,182

NOTE 8 - INDIVIDUAL FUND BALANCE DISCLOSURE

The following governmental funds have a deficit fund balance as of December 31, 2016:

Special Revenue Funds	
TID #1	\$ 25,148
TID #2	14,431
Subtotal	39,579
Capital Project Funds	
Capital Projects	260,446
Total Deficit Fund Balances	\$ 300,025

The deficits will be recovered through future tax increments in the TID's and tax levy or debt proceeds in the Capital Projects Fund.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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.

Accounting Change. The WRS adopted GASB Statement No. 82, *Pension Issues, an amendment of GASB No. 67, No. 68 and No. 73* during the year ended December 31, 2015. Statement No. 82 addresses the presentation of payroll-related measures in the required supplementary information, the selection of assumptions used in determining the total pension liability and related measures, and the classification of employer-paid member contributions. The effect on the Town's beginning net position due to the implementation of GASB Statement No. 82 was \$290 and deemed to be immaterial. The change was included in current year activity.

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.

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) 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, 2016

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>
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
2015	2.9	2

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 \$414,774 in contributions from the Town.

Contribution rates as of December 31, 2016 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.6%	6.6%
Executives and Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pension

At December 31, 2016, the Town reported an liability of \$697,078 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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 liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the Town's proportion was 0.04289760%, which was an decrease of 0.00004632% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Town recognized pension expense of \$840,663.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

At December 31, 2016, the Town reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 117,926	\$ 1,466,988
Changes in assumptions	487,706	-
Net differences between projected and actual earnings on pension plan investments	2,854,036	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,202	189
Employer contributions subsequent to the measurement date	408,754	-
Total	\$ 3,869,624	\$ 1,467,177

The \$408,754 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ending December 31,	Deferred Outflow of Resources	Deferred Inflows of Resources
2017	\$ 898,556	\$ 355,070
2018	898,556	355,070
2019	898,556	355,070
2020	749,561	355,035
2021	15,641	46,932

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability (asset) for December 31, 2015 is based upon a roll-forward of the asset calculated from the December 31, 2014 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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
U.S. Equities	27.0%	23.0%	7.6%	4.7%
International Equities	24.5	22.0	8.5	5.6
Fixed Income	27.5	37.0	4.4	1.6
Inflation Sensitive Assets	10.0	20.0	4.2	1.4
Real Estate	7.0	7.0	6.5	3.6
Private Equity/Debt	7.0	7.0	9.4	6.5
Multi-Asset	4.0	4.0	6.7	3.8
Total Core Fund	107.0%	120.0%	7.4%	4.5%
 <u>Variable Fund Asset Class</u>				
U.S. Equities	70.0%	70.0%	7.6%	4.7%
International Equities	30.0	30.0	8.5	5.6
Total Variable Fund	100.0%	100.0%	7.9%	5.0%

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

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

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase To Discount Rate (8.20%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 4,889,316	\$ 697,078	(\$ 2,577,135)

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, 2016 was \$91,502.

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 three years.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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, 2016, 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, 2016. 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, 2016:

	<u>Unaudited</u>
Residential	7,740
Multi-Family	217
Commercial	748
Industrial	24
Public Authority	22
Total	<u>8,751</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	\$ 8,774,875
Investment income	56,428
Less: Operation and maintenance expense	<u>(5,981,206)</u>
Computed Net Earnings	<u>\$ 2,850,097</u>
Subsequent year revenue bond debt service	\$ 2,014,236
Less: GCMW debt service not subject to coverage	<u>(423,233)</u>
Total debt service subject to coverage	1,591,003
Coverage factor required by debt agreement	<u>1.25</u>
Required Net Earnings	<u>\$ 1,988,754</u>

The utilities have met their debt coverage for 2016.

TOWN OF MENASHA, WISCONSIN

Notes to Financial Statements

December 31, 2016

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 - SUBSEQUENT EVENTS

On April 5, 2016, the Town of Menasha approved a referendum to incorporate the Town as the Village of Fox Crossing. Financially, as of January 1, 2017, the Town of Menasha is incorporated as the Village of Fox Crossing.

In January 2017, the Town purchased a new fire truck from Pierce Manufacturing Inc. for \$591,175. The fire truck is part of the equipment replacement program and was purchased with funds accumulated in the equipment replacement fund.

On March 16, 2017, the Town issued \$2,645,000 general obligation promissory notes to finance a portion of 2016 capital projects and the 2017 capital projects.

On April 13, 2017, the Town issued \$6,020,000 Waterworks System and Sewerage System revenue bonds. \$2,235,000 will be used to refund the remaining principal payment for the 2007 Waterworks System and Sewerage System revenue bonds of \$1,440,000 and the remaining principal payment for the 2008 Waterworks System and Sewerage System revenue bonds of \$1,195,000. The remaining \$3,785,000 of the revenue bonds will be used for 2017 water and sewer projects.

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*

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

	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability (asset)	0.0428976%	0.04294392%
Town's proportionate share of the net pension liability (asset)	\$ 697,078	\$ (1,054,820)
Town's covered-employee payroll	\$ 5,169,600	\$ 4,979,203
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	13.48%	-21.18%
Plan fiduciary net position as a percentage fo the total pension liability (asset)	98.20%	102.74%

Schedule of Employer Contributions

	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 414,774	\$ 415,898
Contributions in relation to the contractually required contributions	(414,774)	(415,898)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 5,169,600	\$ 4,979,203
Contributions as a percentage of covered-employee payroll	8.02%	8.35%

*The amounts presented for each fiscal year were determined as of the calendar year-end. Ten years of data will be accumulated beginning with 2014.

TOWN OF MENASHA, WISCONSIN
Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual
General Fund
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Local Tax Levy	\$ 6,194,575	\$ 6,194,575	\$ 6,192,996	\$ (1,579)
Mobile Home Taxes	57,000	57,000	61,009	4,009
Other Taxes	1,200	1,200	1,480	280
Total Taxes	<u>6,252,775</u>	<u>6,252,775</u>	<u>6,255,485</u>	<u>2,710</u>
Intergovernmental				
State Aid - Shared Taxes	341,420	341,420	342,585	1,165
State Aid - Computer Exempt	187,835	187,835	187,439	(396)
State Aid - Fire Insurance Dues	54,936	54,936	59,984	5,048
State Aid - General Transportation	610,634	610,634	610,335	(299)
State Aid - Other Transportation	70,744	70,744	71,492	748
State Aid - Other	60,849	60,849	67,202	6,353
Federal Aid - Other	73,399	75,788	89,231	13,443
Total Intergovernmental	<u>1,399,817</u>	<u>1,402,206</u>	<u>1,428,268</u>	<u>26,062</u>
Licenses and Permits				
Tavern Operators Licenses	12,810	12,810	31,518	18,708
Liquor and Malt Beverage Licenses	9,762	9,762	9,838	76
Cigarette Licenses	1,000	1,000	914	(86)
Mobile Home Park	700	700	700	-
Dog and Cat Licenses	9,900	9,900	8,946	(954)
Cable TV Franchise Fee	250,000	250,000	227,371	(22,629)
Other Miscellaneous Licenses	1,390	1,390	2,345	955
Amusement Licenses	3,100	3,100	2,650	(450)
Building Permits	100,000	100,000	127,381	27,381
Electrical Permits	27,000	41,277	46,545	5,268
Plumbing Permits	15,000	15,000	31,537	16,537
Heating Permits	20,000	20,000	58,827	38,827
Sign Permits	2,500	2,500	1,700	(800)
State Permits	3,500	3,500	4,140	640
Zoning Permits	20,450	20,450	26,017	5,567
Tank Inspection	4,000	4,000	5,303	1,303
Non-Metallic Mining Permit	3,973	3,973	4,602	629
Fire Protection Permits	1,200	1,200	5,465	4,265
Street Excavation	3,500	3,500	5,425	1,925
Total Licenses and Permits	<u>489,785</u>	<u>504,062</u>	<u>601,224</u>	<u>97,162</u>
Fines and Forfeits				
Court Penalties and Costs	170,000	179,160	179,165	5
Parking Violations	12,500	12,500	9,763	(2,737)
Other	8,000	8,000	7,095	(905)
Total Fines and Forfeits	<u>190,500</u>	<u>199,660</u>	<u>196,023</u>	<u>(3,637)</u>

TOWN OF MENASHA, WISCONSIN
Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual
General Fund
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
Public Charges for Services				
Real Estate Inquiries	\$ 15,000	\$ 15,000	\$ 14,650	\$ (350)
License Publication Fees	1,265	1,265	1,210	(55)
Weed Control Fees	1,200	1,200	568	(632)
Copying Fees	200	200	543	343
Copy Fees-Police	1,000	1,000	1,248	248
Copy Fees-Fire	25	25	-	(25)
Recreation	75,485	75,485	74,443	(1,042)
False Alarm Fees-Police	900	900	275	(625)
False Alarm Fees-Fire	3,500	3,500	6,909	3,409
Fire Services-Prevention Visits	250	250	1,275	1,025
Fire Services-Vehicle Response	14,000	14,000	15,772	1,772
Other	17,355	17,355	23,448	6,093
Total Public Charges for Services	<u>130,180</u>	<u>130,180</u>	<u>140,341</u>	<u>10,161</u>
Special Assessments				
Special Assessments	<u>16,283</u>	<u>16,283</u>	<u>16,823</u>	<u>540</u>
Investment Income				
Investment Income	<u>55,000</u>	<u>55,000</u>	<u>59,979</u>	<u>4,979</u>
Miscellaneous				
Sale of Town Property	1,000	1,000	2,000	1,000
Rental Income	236,263	236,263	238,056	1,793
Miscellaneous	21,400	21,400	60,992	39,592
Total Miscellaneous	<u>258,663</u>	<u>258,663</u>	<u>301,048</u>	<u>42,385</u>
Total Revenues	<u>8,793,003</u>	<u>8,818,829</u>	<u>8,999,191</u>	<u>180,362</u>
OTHER FINANCING SOURCES				
Transfers In-Other Funds	139,566	139,566	177,177	37,611
Transfers In-Payment in Lieu of Taxes	535,000	535,000	560,344	25,344
Total Other Financing Sources	<u>674,566</u>	<u>674,566</u>	<u>737,521</u>	<u>62,955</u>
Total General Fund Revenues and Other Financing Sources	<u>\$ 9,467,569</u>	<u>\$ 9,493,395</u>	<u>\$ 9,736,712</u>	<u>\$ 243,317</u>

TOWN OF MENASHA, WISCONSIN
Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual
General Fund
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES				
General Government				
Town Board	\$ 48,508	\$ 61,696	\$ 52,615	\$ 9,081
Administrator	196,028	240,889	240,889	-
Town Clerk	83,147	87,625	87,625	-
Finance	245,799	249,507	184,674	64,833
Elections	50,857	52,155	52,155	-
Information Technology	332,989	344,600	318,358	26,242
Assessor	39,000	134,533	134,533	-
Municipal Complex	260,464	264,621	234,497	30,124
Legal Counsel	91,904	107,796	107,796	-
Judicial	99,038	133,473	133,473	-
Other General Government	367,783	305,580	237,261	68,319
Total General Government	<u>1,815,517</u>	<u>1,982,475</u>	<u>1,783,876</u>	<u>198,599</u>
Public Safety				
Police	3,246,782	3,270,608	3,270,608	-
Fire	1,085,646	1,093,242	1,036,402	56,840
Inspections	152,480	169,019	169,019	-
Total Public Safety	<u>4,484,908</u>	<u>4,532,869</u>	<u>4,476,029</u>	<u>56,840</u>
Public Works				
Street Maintenance	1,674,074	1,682,967	1,639,049	43,918
Transportation Services	203,643	215,594	215,594	-
Weed and Nuisance	1,000	1,000	312	688
Total Public Works	<u>1,878,717</u>	<u>1,899,561</u>	<u>1,854,955</u>	<u>44,606</u>
Leisure Activities				
Parks and Public Areas	595,911	602,004	528,196	73,808
Recreation	284,107	287,126	219,196	67,930
Total Leisure Activities	<u>880,018</u>	<u>889,130</u>	<u>747,392</u>	<u>141,738</u>
Conservation and Development				
Community Development	138,003	139,979	135,475	4,504
Total Expenditures	<u>9,197,163</u>	<u>9,444,014</u>	<u>8,997,727</u>	<u>446,287</u>
OTHER FINANCING USES				
Transfers Out	<u>602,800</u>	<u>602,800</u>	<u>602,800</u>	<u>-</u>
Total General Fund Expenditures and Other Financing Uses	<u><u>\$ 9,799,963</u></u>	<u><u>\$ 10,046,814</u></u>	<u><u>\$ 9,600,527</u></u>	<u><u>\$ 446,287</u></u>

TOWN OF MENASHA, WISCONSIN
Schedule of Revenues, Expenditures, and Change in Fund Deficit - Budget to Actual
Tax Incremental District #1 - Special Revenue Fund
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES				
Conservation and Development	\$ 3,650	\$ 3,650	\$ 1,783	\$ 1,867
OTHER FINANCING USES				
Transfers Out	(800)	(800)	(12,225)	(11,425)
NET CHANGE IN FUND DEFICIT	(4,450)	(4,450)	(14,008)	(9,558)
FUND DEFICIT - BEGINNING	(11,140)	(11,140)	(11,140)	-
FUND DEFICIT - ENDING	<u>\$ (15,590)</u>	<u>\$ (15,590)</u>	<u>\$ (25,148)</u>	<u>\$ (9,558)</u>

TOWN OF MENASHA, WISCONSIN
Notes to Required Supplementary Information
For the Year Ended December 31, 2016

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, 2016.

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, 2016

	<u>Garbage Collection/ Recycling</u>	<u>Other Special Revenue</u>	<u>Total Non-Major Funds</u>
ASSETS			
Cash and Investments	\$ 308,446	\$ 335,445	\$ 643,891
Receivables			
Taxes	1,007,980	-	1,007,980
Accounts	13,413	-	13,413
TOTAL ASSETS	<u>\$ 1,329,839</u>	<u>\$ 335,445</u>	<u>\$ 1,665,284</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	<u>\$ 122,681</u>	<u>\$ -</u>	<u>\$ 122,681</u>
Deferred Inflows of Resources:			
Taxes Levied for Subsequent Periods	<u>1,007,980</u>	<u>-</u>	<u>1,007,980</u>
Fund Balances			
Restricted			
Equitable Sharing	-	2,398	2,398
Garbage Collection/Recycling	199,178	-	199,178
Public Protection	-	57,246	57,246
Other Special Purposes	-	275,801	275,801
Total Fund Balance	<u>199,178</u>	<u>335,445</u>	<u>534,623</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,329,839</u>	<u>\$ 335,445</u>	<u>\$ 1,665,284</u>

TOWN OF MENASHA, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Garbage Collection/ Recycling	Grants	Other Special Revenue	Total Non-Major Funds
REVENUES				
Intergovernmental	\$ 56,797	\$ 18,665	\$ -	\$ 75,462
Public Charges for Services	996,567	-	132,379	1,128,946
Investment Income	664	-	461	1,125
Miscellaneous	7,263	-	56,565	63,828
Total Revenues	<u>1,061,291</u>	<u>18,665</u>	<u>189,405</u>	<u>1,269,361</u>
EXPENDITURES				
General Government	-	-	815	815
Public Safety	-	-	19,185	19,185
Public Works	834,166	-	-	834,166
Liesure Activities	-	-	7,214	7,214
Conservation and Development	-	2,195	-	2,195
Total Expenditures	<u>834,166</u>	<u>2,195</u>	<u>27,214</u>	<u>863,575</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>227,125</u>	<u>16,470</u>	<u>162,191</u>	<u>405,786</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	500	500
Transfers Out	(191,679)	(16,470)	(61,147)	(269,296)
Total Other Financing Sources (Uses)	<u>(191,679)</u>	<u>(16,470)</u>	<u>(60,647)</u>	<u>(268,796)</u>
NET CHANGE IN FUND BALANCES	35,446	-	101,544	136,990
FUND BALANCES - BEGINNING	<u>163,732</u>	<u>-</u>	<u>233,901</u>	<u>397,633</u>
FUND BALANCES - ENDING	<u>\$ 199,178</u>	<u>\$ -</u>	<u>\$ 335,445</u>	<u>\$ 534,623</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, 2016

	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 1,921,980	\$ 1,921,980	\$ 1,921,980	\$ -
Special Assessments	40,391	40,391	38,750	(1,641)
Intergovernmental	26,486	26,486	26,487	1
Public Charges for Services	13,000	13,000	58,265	45,265
Investment Income	127,000	127,000	21,893	(105,107)
Total Revenues	<u>2,128,857</u>	<u>2,128,857</u>	<u>2,067,375</u>	<u>(61,482)</u>
EXPENDITURES				
Debt Service				
Principal	2,046,892	2,046,892	2,046,892	-
Interest and Fiscal Charges	246,112	246,112	245,195	917
Total Expenditures	<u>2,293,004</u>	<u>2,293,004</u>	<u>2,292,087</u>	<u>917</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(164,147)</u>	<u>(164,147)</u>	<u>(224,712)</u>	<u>(60,565)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	89,044	89,044	114,241	25,197
Transfers Out	(636)	(636)	(655)	(19)
Total Other Financing Sources (Uses)	<u>88,408</u>	<u>88,408</u>	<u>113,586</u>	<u>25,178</u>
NET CHANGE IN FUND BALANCE	(75,739)	(75,739)	(111,126)	(35,387)
FUND BALANCE - BEGINNING	<u>971,185</u>	<u>971,185</u>	<u>971,185</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 895,446</u>	<u>\$ 895,446</u>	<u>\$ 860,059</u>	<u>\$ (35,387)</u>

TOWN OF MENASHA, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget to Actual
Capital Projects Fund
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Investment Income	\$ 800	\$ 800	\$ 3,246	\$ 2,446
Miscellaneous	5,000	5,000	389,186	384,186
Total Revenues	<u>5,800</u>	<u>5,800</u>	<u>392,432</u>	<u>386,632</u>
EXPENDITURES				
Current:				
Public Works	-	-	216,685	(216,685)
Debt Service				
Interest and Fiscal Charges	40,000	40,000	-	40,000
Capital Outlay	2,334,100	2,334,100	1,448,005	886,095
Total Expenditures	<u>2,374,100</u>	<u>2,374,100</u>	<u>1,664,690</u>	<u>709,410</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,368,300)</u>	<u>(2,368,300)</u>	<u>(1,272,258)</u>	<u>1,096,042</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Long-Term Debt	2,030,300	2,030,300	-	(2,030,300)
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>(338,000)</u>	<u>(338,000)</u>	<u>(1,272,258)</u>	<u>(934,258)</u>
FUND BALANCE - BEGINNING	<u>1,011,812</u>	<u>1,011,812</u>	<u>1,011,812</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 673,812</u>	<u>\$ 673,812</u>	<u>\$ (260,446)</u>	<u>\$ (934,258)</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Investment Income	\$ 24,000	\$ 24,000	\$ 7,942	\$ (16,058)
EXPENDITURES				
Capital Outlay	415,358	434,994	399,442	35,552
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(391,358)</u>	<u>(410,994)</u>	<u>(391,500)</u>	<u>19,494</u>
OTHER FINANCING SOURCES				
Sale of capital assets	37,500	37,500	94,737	57,237
Transfers In	602,300	602,300	602,300	-
Total Other Financing Sources	<u>639,800</u>	<u>639,800</u>	<u>697,037</u>	<u>57,237</u>
NET CHANGE IN FUND BALANCE	248,442	228,806	305,537	76,731
FUND BALANCE - BEGINNING	<u>2,704,291</u>	<u>2,704,291</u>	<u>2,704,291</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,952,733</u>	<u>\$ 2,933,097</u>	<u>\$ 3,009,828</u>	<u>\$ 76,731</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, 2016

	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 59,700	\$ 59,700	\$ 56,797	\$ (2,903)
Public Charges for Services	989,505	989,505	996,567	7,062
Investment Income	1,000	1,000	664	(336)
Miscellaneous	1,999	1,999	7,263	5,264
Total Revenues	<u>1,052,204</u>	<u>1,052,204</u>	<u>1,061,291</u>	<u>9,087</u>
EXPENDITURES				
Public Works	887,777	887,777	834,166	53,611
Capital Outlay	14,207	14,207	-	14,207
Total Expenditures	<u>901,984</u>	<u>901,984</u>	<u>834,166</u>	<u>67,818</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>150,220</u>	<u>150,220</u>	<u>227,125</u>	<u>76,905</u>
OTHER FINANCING USES				
Transfers Out	(171,809)	(171,809)	(191,679)	(19,870)
NET CHANGE IN FUND BALANCE	(21,589)	(21,589)	35,446	57,035
FUND BALANCE - BEGINNING	<u>163,732</u>	<u>163,732</u>	<u>163,732</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 142,143</u>	<u>\$ 142,143</u>	<u>\$ 199,178</u>	<u>\$ 57,035</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 18,665	\$ 18,665	\$ 18,665	\$ -
EXPENDITURES				
Conservation and Development	6,665	6,665	2,195	4,470
EXCESS OF REVENUES OVER EXPENDITURES	<u>12,000</u>	<u>12,000</u>	<u>16,470</u>	<u>4,470</u>
OTHER FINANCING USES				
Transfers Out	<u>(12,000)</u>	<u>(12,000)</u>	<u>(16,470)</u>	<u>(4,470)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TOWN OF MENASHA, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Other Special Revenue Fund
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
REVENUES				
Public Charges for Services	\$ 53,500	\$ 53,500	\$ 132,380	\$ 78,880
Investment Income	250	250	461	211
Miscellaneous	47,825	47,825	56,564	8,739
Total Revenues	<u>101,575</u>	<u>101,575</u>	<u>189,405</u>	<u>87,830</u>
EXPENDITURES				
General Government	1,200	1,200	815	385
Public Safety	30,400	30,400	19,185	11,215
Liesure Activities	6,200	6,200	7,214	(1,014)
Total Expenditures	<u>37,800</u>	<u>37,800</u>	<u>27,214</u>	<u>10,586</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>63,775</u>	<u>63,775</u>	<u>162,191</u>	<u>98,416</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	500	500	500	-
Transfers Out	(43,351)	(43,351)	(61,147)	(17,796)
Total Other Financing Sources (Uses)	<u>(42,851)</u>	<u>(42,851)</u>	<u>(60,647)</u>	<u>(17,796)</u>
NET CHANGE IN FUND BALANCE	20,924	20,924	101,544	80,620
FUND BALANCE - BEGINNING	<u>233,901</u>	<u>233,901</u>	<u>233,901</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 254,825</u>	<u>\$ 254,825</u>	<u>\$ 335,445</u>	<u>\$ 80,620</u>

TOWN OF MENASHA, WISCONSIN
 Combining Balance Sheet Schedule
 Nonmajor Other Special Revenue Funds
 As of December 31, 2016

	Parks Improve- ments	Parks Impact Fees	Public Protection	PD Summer Safety	PD Neighborhood Watch	PD Community Relations	PD Equitable Sharing	PD K-9 Unit	Friends of the Park	PK Disc Golf
ASSETS										
Cash and Investments	\$ 4,891	\$ -	\$ 57,246	\$ 9,192	\$ 428	\$ 2,338	\$ 2,398	\$ 1,005	\$ 10,536	\$ 52,322
RESTRICTED FUND BALANCES	\$ 4,891	\$ -	\$ 57,246	\$ 9,192	\$ 428	\$ 2,338	\$ 2,398	\$ 1,005	\$ 10,536	\$ 52,322

TOWN OF MENASHA, WISCONSIN
 Combining Balance Sheet Schedule
 Nonmajor Other Special Revenue Funds
 As of December 31, 2016

PK Round Up Program	PK Boat Trailer Parking Fees	PK Indian Mound	PK Tree Planting	PK Woodland Prairie	Trail Donations	Fire Safety House	FD Citizen Academy	FD Safety Day	FD FF in PK Safety Hunt	FD Public Education
\$ 931	\$ 17,570	\$ 208	\$ 3,622	\$ 8,528	\$ 54	\$ 1,771	\$ 317	\$ 1,657	\$ 1,739	\$ 899
ASSETS										
Cash and Investments										
TOTAL LIABILITIES AND FUND BALANCES	\$ 931	\$ 208	\$ 3,622	\$ 8,528	\$ 54	\$ 1,771	\$ 317	\$ 1,657	\$ 1,739	\$ 899

TOWN OF MENASHA, WISCONSIN
 Combining Balance Sheet Schedule
 Nonmajor Other Special Revenue Funds
 As of December 31, 2016

	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
ASSETS										
Cash and Investments	\$ 3,957	\$ 138	\$ 476	\$ 139,678	\$ 1,443	\$ 738	\$ 2,339	\$ 6,386	\$ 2,638	\$ 335,445
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,957	\$ 138	\$ 476	\$ 139,678	\$ 1,443	\$ 738	\$ 2,339	\$ 6,386	\$ 2,638	\$ 335,445

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, 2016

	Parks Improve- ments	Parks Impact Fees	Public Protection	PD Summer Safety	PD Neighborhood Watch	PD Community Relations	PD Equitable Sharing	PD K-9 Unit	Friends of the Park	PK Disc Golf
REVENUES										
Public Charges for Services	\$ -	\$ 50,197	\$ 14,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	7	-	79	12	1	3	3	2	15	71
Miscellaneous	-	-	-	9,434	-	2,050	-	-	4,488	21,005
Total Revenues	7	50,197	14,182	9,446	1	2,053	3	2	4,483	21,076
EXPENDITURES										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	6,992	-	300	10,500	-	-	-
Leisure Activities	-	-	-	-	-	-	-	-	5,087	-
Total Expenditures	-	-	-	6,992	-	300	10,500	-	5,087	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7	50,197	14,182	2,454	1	1,753	(10,497)	2	(604)	21,076
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	(50,197)	-	-	-	-	-	-	-	(10,894)
Total Other Financing Sources (Uses)	-	(50,197)	-	-	-	-	-	-	-	(10,894)
NET CHANGE IN FUND BALANCES	7	-	14,182	2,454	1	1,753	(10,497)	2	(604)	10,182
FUND BALANCES - BEGINNING	4,884	-	43,064	6,738	427	585	12,895	1,003	11,140	42,140
FUND BALANCES - ENDING	\$ 4,891	\$ -	\$ 57,246	\$ 9,192	\$ 428	\$ 2,338	\$ 2,398	\$ 1,005	\$ 10,536	\$ 52,322

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, 2016

	PK Round Up Program	PK Boat Trailer Parking Fees	PK Indian Mound	PK Tree Planting	PK Woodland Prairie	Trail Donations	Fire Safety House	FD Citizen Academy	FD Safety Day	FD FF in PK Safety Hunt	FD Public Education
REVENUES											
Public Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	1	25	-	5	12	-	3	1	2	1	1
Miscellaneous	254	3,837	-	1,789	8,516	-	-	-	821	914	896
Total Revenues	255	3,862	-	1,794	8,528	-	3	1	823	915	897
EXPENDITURES											
General Government	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	143	-	595	655	-
Leisure Activities	-	967	-	-	-	-	-	-	-	-	-
Total Expenditures	-	967	-	-	-	-	143	-	595	655	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	255	2,895	-	1,794	8,528	-	(140)	1	228	260	897
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	255	2,895	-	1,794	8,528	-	(140)	1	228	260	897
FUND BALANCES - BEGINNING	676	14,675	208	1,828	-	54	1,911	316	1,429	1,479	2
FUND BALANCES - ENDING	931	17,570	208	3,622	8,528	54	1,771	317	1,657	1,739	899

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, 2016

	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
REVENUES										
Public Charges for Services	\$ -	\$ -	\$ -	\$ 68,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,378
Investment Income	5	1	1	191	2	1	3	9	4	461
Miscellaneous	-	-	-	-	1,807	-	-	774	-	56,565
Total Revenues	5	1	1	68,270	1,809	1	3	783	4	189,405
EXPENDITURES										
General Government	-	-	-	-	815	-	-	-	-	815
Public Safety	-	-	-	-	-	-	-	-	-	19,185
Leisure Activities	-	-	-	-	-	-	-	1,160	-	7,214
Total Expenditures	-	-	-	-	815	-	-	1,160	-	27,214
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5	1	1	68,270	994	1	3	(377)	4	162,191
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	500	-	500
Transfers Out	-	-	-	-	-	-	-	(56)	-	(61,147)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	444	-	(60,647)
NET CHANGE IN FUND BALANCES	5	1	1	68,270	994	1	3	67	4	101,544
FUND BALANCES - BEGINNING	3,952	137	475	71,408	449	737	2,336	6,319	2,634	233,901
FUND BALANCES - ENDING	3,957	138	476	139,678	1,443	738	2,339	6,386	2,638	335,445

TOWN OF MENASHA, WISCONSIN
Statement of Changes in Assets and Liabilities
Fiduciary Fund
For the Year Ended December 31, 2016

TAX COLLECTION FUND	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash and Investments	\$ 13,844,272	\$ 14,734,743	\$ 13,844,272	\$ 14,734,743
Receivables - Taxes	10,399,415	9,417,343	10,399,415	9,417,343
Total Assets	\$ 24,243,687	\$ 24,152,086	\$ 24,243,687	\$ 24,152,086
LIABILITIES				
Accounts Payable	\$ 17,702	\$ 1,162	\$ 17,702	\$ 1,162
Due to Other Governments	24,225,985	24,150,924	24,225,985	24,150,924
Total Liabilities	\$ 24,243,687	\$ 24,152,086	\$ 24,243,687	\$ 24,152,086

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STATISTICAL SECTION

TOWN OF MENASHA, WISCONSIN
Statistical Section

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

Contents

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Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 115-119

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 120-123

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. 124-128

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. 129-133

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. 134-136

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Capital assets	\$ 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	\$ 50,861,919
Restricted	2,233,155	2,454,243	2,333,154	2,156,486	508,253	528,410	452,185	2,082,782	2,185,056	2,016,375
Unrestricted	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	10,547,127
Total governmental activities net position	\$ 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	\$ 63,425,421
Business-type Activities										
Capital assets	\$ 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	\$ 46,414,372
Restricted	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	3,966,655
Unrestricted	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	9,293,679
Total business-type activities net position	\$ 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	\$ 59,674,706
Primary Government										
Capital assets	\$ 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	\$ 97,276,291
Restricted	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	5,983,030
Unrestricted	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	19,840,806
Total primary government net position	\$ 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	\$ 123,100,127

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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
General government	\$ 117,164	\$ 95,571	\$ 103,640	\$ 106,847	\$ 97,527	\$ 95,254	\$ 88,380	\$ 139,072	\$ 141,517	\$ 210,636
Public safety	514,172	427,633	405,067	476,850	395,555	407,853	510,322	751,499	528,309	699,263
Public works	3,104,759	2,223,776	1,924,054	2,714,121	1,901,675	1,978,543	1,760,545	1,774,422	2,805,769	2,319,232
Leisure activities	688,207	105,340	443,013	221,726	163,430	177,202	185,076	295,626	362,628	292,272
Conservation and development	26,043	24,354	15,105	45,790	16,879	21,330	33,768	47,564	55,516	47,265
Interest and fiscal charges	-	-	-	-	21,501	49,621	44,432	36,400	31,391	26,487
Total Governmental Activities Program Revenues	\$ 4,450,345	\$ 2,876,674	\$ 2,890,879	\$ 3,565,334	\$ 2,596,570	\$ 2,729,803	\$ 2,622,523	\$ 3,044,583	\$ 3,925,130	\$ 3,595,155
Business-type activities:										
Water utility	\$ 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	\$ 5,431,653
Sewer utility	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	3,733,532
Storm water utility*	-	-	744,687	2,131,593	1,400,033	1,670,027	2,152,704	1,652,266	2,510,685	1,594,590
Total Business-type Activities Program Revenues	6,151,102	6,368,840	7,513,249	8,980,860	8,948,213	10,748,997	11,235,067	10,171,325	11,705,317	10,759,775
Total Primary Government Program Revenues	\$10,601,447	\$9,245,514	\$10,404,128	\$12,546,194	\$11,544,783	\$13,478,800	\$13,857,590	\$13,215,908	\$15,630,447	\$14,354,930

* 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)

General Fund	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Reserved for:										
Delinquent personal property taxes	\$ 3,689	\$ 4,886	\$ 7,539	\$ 7,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	60,083	65,989	59,437	60,001	-	-	-	-	-	-
Payment in lieu of taxes	357,297	383,768	428,966	461,583	-	-	-	-	-	-
Advances	-	-	1,165,367	565,367	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-	-	-	-	-
Designated	2,439,550	2,900,132	2,472,042	2,562,652	-	-	-	-	-	-
Undesignated	1,448,696	1,045,177	851,399	1,664,458	-	-	-	-	-	-
Nonspendable	-	-	-	-	581,236	508,704	429,748	349,058	374,341	358,706
Committed	-	-	-	-	-	1,882,828	1,916,422	1,955,126	1,959,993	2,132,147
Assigned	-	-	-	-	1,330,342	1,473,359	1,617,349	1,010,018	1,166,341	1,279,286
Unassigned	-	-	-	-	3,694,787	2,158,018	2,117,772	3,327,238	3,782,930	3,649,651
Total General Fund	\$ 4,309,315	\$ 4,399,952	\$ 4,984,750	\$ 5,321,106	\$ 5,606,365	\$ 6,022,909	\$ 6,081,291	\$ 6,641,440	\$ 7,283,605	\$ 7,419,790
Other Governmental Funds										
Reserved:										
Debt service	\$ 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	-	-	-	-	-	-
Unreserved and undesignated:										
Special Revenue Funds	257,250	355,840	453,950	538,247	-	-	-	-	-	-
Capital Project Funds	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	624,623
Committed	-	-	-	-	789	-	-	-	-	-
Assigned	-	-	-	-	3,010,644	3,979,251	4,040,699	3,493,177	4,245,406	3,779,887
Unassigned	-	-	-	-	-	-	-	-	(11,140)	(300,025)
Total Other Governmental Funds	\$ 3,814,659	\$ 4,800,220	\$ 3,428,629	\$ 5,699,098	\$ 5,226,858	\$ 4,761,894	\$ 4,808,687	\$ 4,537,031	\$ 5,073,781	\$ 4,104,485
Total All Governmental Funds	\$ 8,123,974	\$ 9,200,172	\$ 8,413,379	\$ 11,020,204	\$ 10,833,223	\$ 10,784,803	\$ 10,889,978	\$ 11,178,471	\$ 12,357,386	\$ 11,524,275

Note: The Town implemented GASB Statement 54 in 2011.

Schedule 5

Town of Menasha, Wisconsin
Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 6,632,190	\$ 6,942,616	\$ 7,190,277	\$ 7,486,888	\$ 7,691,143	\$ 7,864,875	\$ 7,851,848	\$ 7,922,635	\$ 8,040,608	\$ 8,177,465
Intergovernmental	1,970,544	1,788,950	1,955,432	1,792,497	1,682,165	1,673,688	1,491,178	1,508,062	1,536,489	1,530,217
Licenses and permits	424,274	372,615	369,731	466,506	415,408	437,065	448,259	566,422	528,680	601,224
Fines, forfeitures and penalties	168,871	156,233	171,459	169,918	153,921	167,839	201,246	192,507	195,590	196,073
Public charges for services	782,952	913,637	1,025,205	1,062,516	1,034,698	1,044,536	1,051,562	1,194,040	1,196,062	1,327,553
Special assessments	403,038	214,560	181,731	158,545	217,605	184,499	183,074	118,036	81,836	55,573
Investment income	658,935	460,290	317,994	91,860	183,157	115,956	95,727	130,559	102,826	94,185
Miscellaneous	354,752	495,894	267,025	273,242	211,587	314,991	214,404	289,577	1,241,808	754,061
Total revenues	11,395,556	11,344,795	11,478,854	11,501,972	11,586,684	11,803,449	11,537,298	11,921,838	12,925,899	12,736,301
Expenditures by Function										
General government	1,614,107	1,616,085	1,588,063	1,595,024	1,441,444	1,409,037	1,400,673	1,513,856	1,463,134	1,784,691
Public safety	3,635,617	3,863,813	3,980,076	3,915,756	3,991,005	4,047,385	4,199,583	4,136,607	4,309,728	4,495,214
Health and social services	209,609	215,989	204,739	201,690	225,460	-	-	-	-	-
Public works	2,078,658	2,273,500	2,303,753	2,194,270	2,648,380	2,490,358	2,947,246	2,997,810	2,820,329	2,505,806
Leisure activities	671,856	724,683	663,900	799,156	722,184	696,964	774,633	827,241	784,043	754,606
Community development	170,681	185,748	162,133	140,539	117,430	130,607	127,595	135,700	139,509	144,642
Capital outlay	1,636,585	1,419,259	2,598,702	1,551,377	1,198,217	2,802,831	2,036,956	2,843,197	1,845,550	1,847,447
Debt service	1,239,224	1,314,783	1,431,064	1,532,283	1,783,819	1,850,052	1,969,349	1,853,416	1,811,202	2,046,852
Principal retirement	561,829	555,835	526,710	407,901	379,490	413,739	408,193	329,807	315,710	245,195
Interest and fiscal charges	11,818,166	12,169,695	13,439,140	12,337,996	12,507,429	13,840,973	13,864,228	14,637,634	13,493,205	14,224,493
Total expenditures	(422,610)	(824,900)	(1,960,286)	(836,024)	(920,745)	(2,037,524)	(2,326,930)	(2,715,796)	(567,306)	(1,488,192)
Excess of Revenues										
Over/(under) expenditures	1,770,000	1,510,000	916,160	2,885,120	100,000	1,645,000	1,650,000	2,265,000	1,120,000	-
Other Financing Sources (Uses)										
Debt issued	-	-	-	-	-	-	1,903,090	-	-	-
Debt issued-refunding	-	-	-	-	-	-	(1,916,071)	-	-	-
Payments to refunding agent	-	-	-	-	-	44,242	109,431	71,931	21,390	-
Premium (discount) on debt	44,345	12,985	30,240	37,461	99,460	9,841	74,553	122,785	60,657	94,737
Sale of capital assets	1,050,285	1,064,804	2,040,733	1,423,599	1,404,586	1,531,689	1,567,705	1,377,141	1,612,222	1,454,562
Transfers in	(702,454)	(686,691)	(1,524,962)	(903,331)	(870,282)	(1,241,668)	(956,603)	(832,568)	(1,068,048)	(894,218)
Transfers out	2,162,176	1,901,098	1,462,171	3,442,849	733,764	1,989,104	2,432,105	3,004,289	1,746,221	655,081
Total other financing sources (uses)	1,739,566	1,076,198	(786,793)	2,606,825	(186,981)	(48,420)	105,175	288,493	1,178,915	(833,111)
Net change in fund balance	6,384,408	8,123,974	9,200,172	8,413,379	11,020,204	10,833,223	10,784,803	11,178,471	12,357,386	11,524,275
Fund Balance January 1	8,123,974	9,200,172	8,413,379	11,020,204	10,833,223	10,784,803	10,889,978	11,178,471	12,357,386	11,524,275
Fund Balance December 31	\$ 14,508,378	\$ 17,324,146	\$ 17,823,551	\$ 22,043,478	\$ 21,666,427	\$ 21,568,626	\$ 21,674,781	\$ 22,356,942	\$ 24,714,772	\$ 23,048,550
Debt service as a percentage of noncapital expenditures	17.9%	17.5%	18.2%	17.8%	19.4%	19.7%	20.4%	18.9%	18.3%	18.5%

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>Direct Tax Rate</u>	<u>Percent of Total Assessed to Total Equalized Value</u>
		<u>Residential</u>	<u>Commercial</u>	<u>Manufacturing</u>	<u>Other</u>	<u>Commercial & Mfg.</u>	<u>Assessed Value</u>			
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%
2016	2017	908,683,900	350,822,600	147,699,700	2,149,200	61,648,300	1,471,003,700	1,502,494,400	5.59	97.90%

Sources: Wisconsin Department of Revenue and Town Assessor.

Schedule 7

Town of Menasha, Wisconsin
Property Tax Rates - All Direct and Overlapping Governments
Last Ten Fiscal Years

		Per \$1,000 of Equalized Value ^d									
		Town Direct Rates					Overlapping Rates ^c				
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	
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)	
2016	2017	4.18	1.30	5.48	8.05	11.27	9.06	1.12	6.00	(1.58)	

		Per \$1,000 of Assessed Value ^d									
		Town Direct Rates					Overlapping Rates ^c				
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	
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)	
2016	2017	4.26	1.32	5.59	8.19	11.62	9.35	1.14	6.11	(1.61)	

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, 2016

	<u>Name</u>	<u>Nature of Business</u>	<u>Percent of Total Assessed Value</u>	<u>2016 Assessed Value</u>	<u>2016 Equalized Value</u>
1	Kimberly-Clark Corporation	Paper Products	3.09%	\$ 45,514,900	\$ 46,393,600
2	Badgers I & II LLC	Office Buildings	2.35%	34,618,500	35,287,000
3	Touchmark on West Prospect	Retirement Living Complex	1.91%	28,167,200	28,711,100
4	Thomas A. Wright	Residential/Multi Family Living	1.54%	22,589,600	23,025,500
5	SCA	Paper Products	0.88%	12,943,200	13,193,000
6	Sunshine Real Estate LLC	Residential/Multi Family Living	0.85%	12,454,600	12,695,100
7	Cleanwater Paper	Paper Products	0.84%	12,398,300	12,637,600
8	Neuroscience Center LLC	Medical	0.69%	10,154,600	10,350,700
9	FoxValCorp	Paper Products	0.63%	9,316,500	9,496,600
10	Warehouse Specialist	Warehousing	0.60%	8,896,100	8,975,900
TOTALS				\$ 197,053,500	\$ 200,766,100

Principal Taxpayers
December 31, 2006

	<u>Name</u>	<u>Nature of Business</u>	<u>Percent of Total Assessed Value</u>	<u>2006 Assessed Value</u>	<u>2006 Equalized Value**</u>
1	Kimberly-Clark Corporation	Paper Products	8.29%	\$ 108,255,800	\$ 105,102,718
2	Valley Gateway	Devloper		\$ 10,825,900	\$ 10,510,582
3	SCA	Paper Products	1.64%	21,375,000	20,752,428
4	Touchmark On West	Retirement Living Complex	1.44%	18,801,100	18,253,495
5	Cellu Tissue	Paper Products	1.03%	13,494,200	13,101,164
6	Pierce MFG	Fire & Utility Truck Bodies	0.88%	11,453,900	11,123,292
7	Warehouse Specialist	Warehousing	0.77%	10,111,000	9,816,505
8	Clover Meadows Apt	Residential/Multi Family Living	0.56%	7,366,200	7,188,253
9	Outlook Graphics	Printing, Mailing, Converting	0.51%	6,599,300	6,407,088
10	Thomas Wright	Residential/Multi Family Living	0.47%	6,149,500	5,970,388
TOTALS				\$ 214,431,900	\$ 208,225,914

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

Schedule 9

Town of Menasha, Wisconsin
Property Tax Levies and Collections
Last Ten Fiscal Years

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
2006	2007	6,563,629	6,559,940	99.94%	3,689	0.06%	3,689	6,563,629	100.00%
2007	2008	6,870,743	6,865,857	99.93%	4,886	0.07%	2,299	6,868,156	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%	1,938	7,419,086	99.93%
2010	2011	7,652,476	7,646,260	99.92%	6,216	0.08%	1,995	7,648,255	99.94%
2011	2012	7,796,787	7,791,393	99.93%	5,394	0.07%	1,981	7,793,374	99.96%
2012	2013	7,821,406	7,817,039	99.94%	4,367	0.06%	2,982	7,820,021	99.98%
2013	2014	7,876,156	7,871,138	99.94%	5,018	0.06%	2,899	7,874,037	99.97%
2014	2015	7,982,249	7,980,151	99.97%	2,098	0.03%	535	7,980,686	99.98%
2015	2016	8,116,555	8,116,085	99.99%	470	0.01%	-	8,116,085	99.99%

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

Schedule 10

Town of Menasha, Wisconsin
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities										Total Primary Government		
	General Obligation Debt	General Obligation Bonds for Debt	Utility Revenue Bonds**	Grand Chute Bonds 1991	Grand Chute Bonds 1993	Grand Chute Bonds 2004	Grand Chute Bonds 2009	Revenue Bonds							
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
2016	8,222,227	9,601,982	11,457,625	-	-	148,826	4,385,535	-	-	-	-	-	-	-	33,816,195

*Gross outstanding debt

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

Schedule 11

Town of Menasha, Wisconsin
Ratio of Outstanding Debt to Equalized Valuation
Debt per Capital, and Debt to Personal Income
Last Ten Fiscal Years

Calendar Year Ending 12/31	General Outstanding Debt	Percent of Debt			Debt Per Capita	Personal Income**	Percentage of Personal Income
		Equalized Valuation *	Equalized Valuation	Estimated Population**			
2007 [#]	14,008,584	1,389,484,200	1.01%	17,180	337,205,051	4.15%	
2008 [#]	14,095,246	1,435,242,400	0.98%	17,375	336,918,649	4.18%	
2009 [#]	15,831,726	1,396,855,400	1.13%	17,390	306,141,802	5.17%	
2010 [#]	18,263,738	1,414,080,300	1.29%	17,430	313,401,524	5.83%	
2011 [#]	16,609,440	1,436,584,600	1.16%	18,533	318,307,320	5.22%	
2012 [#]	17,669,584	1,370,537,600	1.29%	18,545	340,551,590	5.19%	
2013	20,317,559	1,394,275,300	1.46%	18,582	346,628,260	5.86%	
2014	21,614,885	1,434,553,900	1.51%	18,624	358,387,370	6.03%	
2015	20,729,685	1,469,133,900	1.41%	18,665	374,353,867	5.54%	
2016	17,824,209	1,502,494,400	1.19%	18,741	N/A	N/A	

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

* See Schedule 6 for the equalized valuation schedule.

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

[#] Gross outstanding debt

Schedule 12

Town of Menasha, Wisconsin
Computation of Direct and Overlapping Debt
December 31, 2016

Jurisdiction	Debt Outstanding	Percent Applicable to the Town of Menasha	Estimate Share of Debt & Overlapping Debt Applicable to the Town of Menasha
Direct Debt			
Town of Menasha*	\$ 8,222,227	100.00%	\$ 8,222,227
Overlapping Debt			
Fox Valley Technical College District	85,725,000	4.18%	3,583,305
Winnebago County	32,233,037	12.19%	3,929,207
Menasha Joint School District	44,320,000	31.07%	13,770,224
Neeah Joint School District	150,000	26.54%	39,810
Appleton Area School District	45,115,000	0.09%	40,604
Total Overlapping Debt	\$ 207,543,037		\$ 21,363,150
Total Direct and Overlapping Debt	\$ 215,765,264		\$ 29,585,376

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Equalized Value of Real and Personal Property	\$1,369,484,200	\$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	\$1,502,494,400
Debt Limit, Five (5) Percent of Equalized Valuation (Wisconsin Statutory Limitation)	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	75,124,720
Amount of Debt Applicable to Debt Limitation	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	17,811,297
Total Obligation Bonds and Loans Applicable to Debt Limit at December 31, 2014	(915,433)	(1,070,076)	(990,489)	(911,239)	(972,156)	(1,005,765)	(868,540)	(963,843)	(971,185)	(870,059)
Less: Assets in Debt Service Fund Available for Payment of General Obligation Debt	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	16,941,238
Net Amount of Debt Applicable to Debt Limit	\$ 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	\$ 58,183,482
Legal Debt Margin	18.85%	18.15%	21.25%	24.54%	21.77%	24.32%	27.61%	28.48%	26.64%	22.55%
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit										

Sources: Town of Menasha footnotes and Schedule 6.

Schedule 14

Town of Menasha, Wisconsin

Revenue Bond Coverage
Water and Sewer Utility
Last Ten Fiscal Years

Fiscal Year	Direct Operating Revenues	Investment Income	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Required Coverage	Coverage Rate
					Principal	Interest	Total		
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
2016	8,774,875	56,428	5,981,206	2,850,097	1,285,000	306,003	1,591,003	1,988,753	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.

Town of Menasha, Wisconsin
Water Utility Data
Ten Largest Water Users
Year Ending December 31, 2016

Name	Nature of Business	Thousands of Gallons (000)	Water Billing
1 Clearwater Paper Corp	Paper Products Manufacturing	126,510	535,962
2 Kimberly-Clark (Feminine Care)	Feminine Care Products	32,567	227,358
3 SCA Tissue North America	Paper Products Manufacturing	22,537	97,910
4 Pierce Manufacturing	Fire & Utility Truck Bodies	22,103	99,837
5 Kimberly Clark (W. Research)	Paper Products Manufacturing	10,223	46,551
6 Chapman Ave	Plastic Mfg	6,340	34,184
7 Meadow Development	Mobile Home Park	5,829	26,689
8 Great Northern Container	Corrugated Container Manufacturer	5,735	24,666
9 Theda Care/Peabody Manor	Retirement Home	5,181	25,178
10 Fox Valley Home Estate	Mobile Home Park	4,075	19,287
Total of Ten Largest Retail Users		241,100	\$ 1,137,623
Total Water Utility		718,127	\$ 4,924,393
Ten Largest as Percent of Total Water Utility		34%	23%

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

Calendar Year	Gallons Billed	Gallons Pumped	Calendar Year	Average		Maximum	
				Daily Demand	Daily Demand	Daily Demand	Rated System Capacity
2007	909,841	1,071,943	2007	2,937	4,584	3,90	3,90
2008	761,821	978,373	2008	2,680	3,828	3,90	3,90
2009	782,398	989,149	2009	2,710	3,767	3,90	3,90
2010	718,535	988,817	2010	2,709	3,518	7,40	7,40
2011	754,451	984,133	2011	2,694	3,599	6,90	6,90
2012	754,589	957,009	2012	2,621	3,993	6,90	6,90
2013	690,322	894,747	2013	2,451	3,590	6,90	6,90
2014	691,637	886,986	2014	2,430	3,590	6,90	6,90
2015	715,010	899,780	2015	2,465	3,325	6,90	6,90
2016	718,127	915,396	2016	2,507	3,349	6,90	6,90

Source: Town of Menasha Water Utility billing records.

Schedule 16

Town of Menasha, Wisconsin
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Town of Menasha Population ⁽¹⁾	Personal Income ⁽²⁾	AGI Per Return ⁽²⁾	Annual Average Unemployment Rate ⁽³⁾
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	374,353,867	57,824	4.3
2016	18,741	N/A	N/A	3.7

⁽¹⁾ Wisconsin Department of Revenue

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

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

Schedule 17

Town of Menasha, Wisconsin
Principal Industrial and Commercial Employers
December 31, 2016

	<u>Company Name</u>	<u>Product or Service</u>	<u>Number of Employees</u>	<u>Percentage of the Fox Valley Area[#]</u>
1	Kimberly-Clark Corporation	Paper Products Manufacturer	3,200	1.47%
2	Pierce Manufacturing	Fire and Utility Truck Manufacturer	1,500	0.69%
3	Outlook Graphics	Printing, Mailing & Converting	1,000	0.46%
4	Clearwater Paper	Paper Products Manufacturer	1,000	0.46%
5	SCA Tissue	Paper Products Manufacturer	1,000	0.46%
6	Hayes Manufacturing	Paper Products Manufacturer	1,000	0.46%
7	Miron Construction	Construction	1,000	0.46%
8	JJ Plank	Paper Products Manufacturer	1,000	0.46%
9	Neenah Papers	Paper Products Manufacturer	500	0.23%
10	Warehouse Specialists Inc	General Warehouse/Storage	350	0.16%

[#] Source: Robert W Baird Debt Borrowing and Town Departments

Principal Industrial and Commercial Employers
December 31, 2006

	<u>Company Name</u>	<u>Product or Service</u>	<u>Number of Employees</u>	<u>Percentage of the Fox Valley Area[#]</u>
1	Kimberly-Clark Corporation	Paper Products Manufacturer	5,240	2.43%
2	Pierce Manufacturing	Fire & Utility vehicle manufacturer	1,070	0.50%
3	SCA	Paper Napkins, Table Covers	1,000	0.46%
4	Banta Corporation	Printer of books and periodicals	950	0.44%
5	Pitney Bowes	Mailing machine rental/leases	500	0.23%
6	Outlook Graphics	Commercial Printing	480	0.22%
7	Cellu Tissue	Paper Products Manufacturer	280	0.13%
8	GNC	Corrugated Container Manufacturer	150	0.07%
9	Hayes Mfg	Paper Core Manufacturer	150	0.07%
10	Miron Construction	Construction	100	0.05%

^{*} Source: Quarles & Brady Debt Borrowing

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

Schedule 18

Town of Menasha, Wisconsin
Schedule of Insurance in Force
6/1/2016-6/1/2017

<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	\$ 72,798
Public Employee Theft Money & Securities, Inside Money & Securities, Outside premises	Aegis Corporation	\$ 500,000 \$2500 ded \$ 50,000 \$500 ded \$ 50,000 \$500 ded	\$ 2,327
Contractors Equipment	Selective Insurance	\$ 2,869,314 \$1,000 ded	\$ 10,903
Buildings, Personal Property and Property in the Open	Selective Insurance	\$ 29,426,096 \$1,000 ded	\$ 33,895
Auto (Comprehensive & Collision)	Selective Insurance	\$ 6,373,596 \$1,000 ded	\$ 19,424
Boiler and Machinery	Selective Insurance	\$ 28,949,457 \$1,000 ded	included above
Workers Compensation	Aegis Corporation Community Insurance Corporation Benchmark Insurance Company	\$ 100,000 Ea. Accident \$ 500,000 Policy. Limit \$ 100,000 Ea. Employee	\$ 156,170
Storage Tank Third Party Liability	* Crum & Forster Specialty Insurance	\$ 1,000,000 \$5,000 ded	\$ 3,346
Flood and Earthquake	Selective Insurance	\$ 10,000,000 \$25,000 ded	\$ 3,886

* This is for a 2 year premium

Schedule 19

Town of Menasha, Wisconsin
Miscellaneous Statistics
December 31, 2016

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

	<u>2016</u>	<u>2016</u>	
Population	18,741		
Area		Permanent Town Employees	
Square Miles	12.5	Full Time	80
Acres - Land	8,167	Part Time	62
Acres - Water	379	Seasonal/Casual/Temporary	86
Altitude	810-830 ft.	Fire Protection	
		Number of Stations	2
Miles of Streets		Number of Firefighters	57
Local Streets	73.54	Part-time	8
Arterial/Collector Highways	24.3	Full-time	5
		Paid on-Call	44
Number of Street Lights	1,143	Police Protection	
Utility District		Number of Stations	1
Average Number of Customers	8,737	Number of Police Officers	26
Avg Daily Water Consumption	2,507,000	Parks and Recreation	
Miles of Water Mains	133.93	Acreage	260.47
Miles of Sanitary Mains	118.87	Number of Parks	16
Water Towers	3	Trails (miles)	21.3
Lift Stations	8	Building Permits	
Water Treatment Plants	3	Permits Issued	952
Reservoirs	3	Estimated Cost of Construction	\$ 60,914,943

Source: Town departments

Town of Menasha, Wisconsin
Operating Indicators by Function/Program

Function/Program	2016	Function/Program	2016
General Government		Refuse Collection	
Building Permits issued	952	Refuse collected (tons per day)	20.06
Building Inspections conducted	1,154	Recyclables collected (tons per day)	13.19
		Yard Waste collected (tons per day)	13.05
Police		Parks and Recreation	
Parking Violations	568	Park rentals	220
Traffic Violations	6,001	Community Center rentals	249
Fire		Water	
Emergency responses (non EMS)	345	New connections	6
Inspections:		Water Main breaks	26
Routine visits	1,995	Average daily consumption (thousand/gallons)	2,465
Tank program	30	Peak daily consumption (thousand/gallons)	3,349
Certificate of Occupancies	42		
Compliance visits	0	Sewer (millions of gallons)	
Special visits	2	Average daily sewage treatment (GCMW)	2.78
Nuisance Abatement Taskforce	0	Average daily sewage treatment (NMSC)	2.19
EMS Calls	633		

Source: Town departments

Assumes 365 days per year

Schedule 21

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

Function/Program	2016	2016
Police		
Stations	1	97.84
Patrol Units	12	1,143
		65
Fire		
Stations	2	133.93
Parks and Recreation		
Acreeage	260.47	1,392
Playgrounds	13	3,900
Baseball/Softball diamonds	7	
Soccer/football fields	6	
Community Centers	1	
Stormwater		
Ponds	4	118.87
Stormwater Mains (miles)	51.95	6.21
		13.1
		12.8

Source: Town departments

Schedule 22

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Administration	2,000	2,000	2,000	2,000	2,000	2,250	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	0,000
Clerk	1,538	1,788	1,750	1,750	1,750	1,654	1,654	1,673	1,673	1,742
Community Development	4,287	4,433	4,337	4,337	4,500	4,337	4,337	4,192	4,625	4,192
Finance	7,003	7,0029	6,603	6,603	6,603	6,603	6,603	6,672	6,542	6,473
Information Technology	1,000	1,500	1,500	1,500	1,500	2,000	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	1,000
Police										
Officers	26,000	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	7,284
Fire										
Officers	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	4,000	5,000
Civilians	1,480	1,312	1,168	1,060	1,060	1,060	1,060	1,050	0,600	0,600
Firefighters	8,547	8,749	8,749	8,470	8,447	9,084	9,084	9,675	11,969	10,622
Public Works										
Officers	9,864	9,864	9,864	10,872	10,872	10,872	10,872	10,872	10,872	10,673
Civilians	8,794	8,978	8,978	8,978	8,978	8,978	9,224	9,225	9,404	9,601
Parks and Recreation										
Officers	10,288	10,288	10,288	10,288	10,000	8,788	8,788	8,788	8,788	9,788
Civilians	4,288	4,288	4,288	4,288	4,288	4,788	4,788	4,788	4,788	3,788
GRAND TOTAL	99,196	100,3099	99,603	98,290	98,142	98,596	98,842	99,367	102,670	101,213

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.

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.