It is expected that a Quorum of the Personnel Committee, Board of Public Works, and Common Council will be attending this meeting: (although it is not expected that any official action of any of those bodies will be taken)

CITY OF MENASHA
ADMINISTRATION COMMITTEE
Third Floor Council Chambers
140 Main Street, Menasha
August 15, 2016
6:30 PM
or immediately following Common Council
AGENDA

A. CALL TO ORDER

B. ROLL CALL/EXCUSED ABSENCES

C. MINUTES TO APPROVE
   1. Administration Committee, 8/1/16

D. ACTION/DISCUSSION ITEMS
   1. Review and Accept 2015 City of Menasha Audit (Dave Maccoux, Schenck, SC)
   2. O-10-16 An Ordinance Amending Title 7, Chapter 6 of Code of Ordinances – Restaurant and Retail Food Establishments (Introduced by Mayor Merkes)

E. ADJOURNMENT

"Menasha is committed to its diverse population. Our Non-English speaking population and those with disabilities are invited to contact the Menasha City Clerk at 967-3603 24-hours in advance of the meeting for the City to arrange special accommodations."

DRAFT

CITY OF MENASHA
ADMINISTRATION COMMITTEE
Third Floor Council Chambers
140 Main Street, Menasha
August 1, 2016
MINUTES

A. CALL TO ORDER
Meeting called to order by Chairman Nichols at 6:56 p.m.

B. ROLL CALL/EXCUSED ABSENCES
PRESENT: Aldermen Collier, Keehan, Zelinski, Spencer, Benner, Nichols, Taylor
EXCUSED: Alderman Krautkramer
ALSO PRESENT: Mayor Merkes, CA Captain, PC Styka, DFC Voss, ASD Steeno, PHD McKenney, Clerk Galeazzi.

C. MINUTES TO APPROVE
1. Administration Committee, 7/5/16
Moved by Ald. Keehan seconded by Ald. Collier to approve minutes.
Motion carried on voice vote.

D. ACTION/DISCUSSION ITEMS
1. Annual CVMIC Insurance Report.
CA Captain reported on the Cities and Villages Mutual Insurance Company (CVMIC) annual meeting she recently attended. 2017 insurance premium quotes where provided to each member of CVMIC. As a member of CVMIC, the City receives an annual dividend. The City has opted to receive the dividends in March each year. No action is required if the City elects to continue to receive the dividends in March of each year.

2. City of Menasha/Calumet County Outdoor Warning Sirens.
DFC Voss reported on his research to install outdoor warning sirens in the Calumet County portion of the City of Menasha. Calumet County does not own warning sirens like Winnebago and Outagamie Counties do. Calumet County will activate the sirens owned by other municipalities in the County. Each County activates warning sirens differently. The City of Appleton is proposing installing a second warning siren.
General discussion ensued on the cost of the siren, funding sources, and what options are available to the City.

Moved by Ald. Benner seconded by Ald. Keehan to authorize staff to pursue the installation of City of Menasha/Calumet County outdoor warning sirens.
Motion carried on roll call 7-0.

E. ADJOURNMENT
Moved by Ald. Taylor seconded by Ald. Keehan to adjourn at 7:15 p.m.
Motion carried on voice vote.

Deborah A. Galeazzi, WCMC
City Clerk

CITY OF MENASHA, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2015

CITY OF MENASHA, WISCONSIN
December 31, 2015

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CITY OF MENASHA, WISCONSIN
December 31, 2015

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Schenck
ADVISORY | TAX | ASSURANCE

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the City Council
City of Menasha, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Menasha, Wisconsin ("the City") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note D.12, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68.* Our opinions are not modified with respect to this matter.

As described in Note D.14, the City recorded a prior period adjustment of $546,545 in the government-wide financial statements to properly record notes payable. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and the schedules relating to pensions and post-employment benefits on pages 56 through 59 be presented to supplement the basic financial statements. Such information, although not 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 City's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is 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 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Schenck sc

Certified Public Accountants
Green Bay, Wisconsin
July 26, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Menasha, Wisconsin
Management's Discussion and Analysis

As management of the City of Menasha, Wisconsin, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015.

Financial Highlights

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows as of December 31, 2015 by $53.4 million (net position). The unrestricted net position of the government-type activities was a deficit of $12,313,657. The unrestricted net position of the business-type activities is $10,031,106.
- The City's total net position increased by $10.3 million (increase of $5.6 million in governmental activities and $4.7 million in business-type activities), with $5.1 million of the increase due to the cumulative effect of implementing new pension standards.
- Property taxes levied to finance general City operations totaled $9,553,928, a decrease of $19,324 from the prior year. Tax increments generated by the City's eleven tax incremental districts totaled $2,023,460.
- As of December 31, 2015, the City's governmental funds reported combined ending fund balances of $3,264,476, a decrease $170,623 in comparison with the prior year.
- As of December 31, 2015, unassigned fund balance for the general fund was $1.3 million, or approximately 7.6% of total general fund expenditures. The general fund balance decreased $62,582 during 2015. The City had an overall positive budget variance of $80,993 for the current year, with revenues exceeding budget by $143,156 while expenditures exceeding budget by $48,256.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other 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 City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows/inflows of resources and liabilities, 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 City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other 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 City include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. The business-type activities of the City include Menasha Utilities (provides electric, water, steam and telecommunication services to City residents), the sewage treatment services and storm water management.

The government-wide financial statements can be found on pages 10 - 12 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 City, 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 City 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 the City's near-term financing requirements.

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 City'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 City maintains 32 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 general fund and debt service fund, both of which are considered to be major funds. Data from the other 30 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13 - 17 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, steam and telecommunications utilities (Menasha Utilities) and its sewerage system and storm water operations (reclassified from a special revenue fund in 2003). *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service funds to account liability and dental insurance claims and the City's garage. Because these services predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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 Menasha Utilities which is considered to be a major fund of the City and the sewage treatment operations. The City's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 18 - 21 of this report.

Fiduciary fund. The City accounts for tax collections of other taxing entities within an agency fund. The fiduciary fund financial statements can be found on page 22 of this report.

Notes to the basic 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 basic financial statements can be found on pages 23 - 55 of this report.

Required supplementary information. The required supplementary information provide additional information on the City's post-employment and pension benefits.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following notes to the basic financial statements.

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $53.4 million at the close of 2015.

City of Menasha, Wisconsin's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 25,220	$ 23,478	$ 19,642	$ 18,170	$ 44,862	$ 41,648
Capital assets	35,392	33,617	52,640	52,180	88,032	85,797
Total Assets	60,612	57,095	72,282	70,350	132,894	127,445
Deferred outflows of resources						
Pension	1,994	-	611	-	2,605	-
Tower painting	-	-	-	28	-	28
Total Deferred Outflows of Resources	1,994	-	611	28	2,605	28
Long-term liabilities outstanding	34,285	34,591	27,990	29,580	62,275	64,171
Other liabilities	1,901	1,804	6,188	6,738	8,089	8,542
Total Liabilities	36,186	36,395	34,178	36,318	70,364	72,713
Deferred inflows of resources						
Property taxes	11,708	11,599	-	-	11,708	11,599
Net Position						
Net investment in capital assets	17,867	16,049	24,650	22,600	42,517	38,649
Restricted	9,159	5,573	4,033	2,922	13,192	8,495
Unrestricted	(12,314)	(12,521)	10,032	8,538	(2,282)	(3,983)
Total Net Position	$ 14,712	$ 9,101	$ 38,715	$ 34,060	$ 53,427	$ 43,161

By far the largest portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the City'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 City's net position represents resources that are subject to external restrictions on how they may be used and consist of $1.6 million restricted for community development loans, $1.7 million restricted for debt service, $3.3 million restricted for capital projects, $0.6 million restricted for special revenue purposes, $0.9 million restricted for lease obligations and $5.1 million restricted for pension. The remaining balance is a deficit net position of $2.3 million.

Change in net position. A summary of the City's change in net position follows:

City of Menasha, Wisconsin's Change in Net Position (In thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for services	$ 2,910	$ 2,769	$ 55,136	$ 55,947	$ 58,046	$ 58,716
Operating grants and contributions	956	1,102	-	-	956	1,102
Capital grants and contributions	1,258	592	415	39	1,673	631
General Revenues						
Property taxes	11,578	11,237	-	-	11,578	11,237
Other taxes	183	194	-	-	183	194
Grants and contributions not restricted to specific programs	4,337	4,197	-	-	4,337	4,197
Other	507	512	66	109	573	621
Total Revenues	21,729	20,603	55,617	56,095	77,346	76,698
Expenses						
General government	1,279	1,470	-	-	1,279	1,470
Public safety	8,044	7,814	-	-	8,044	7,814
Public works and sanitation	3,932	3,914	-	-	3,932	3,914
Health and human services	546	884	-	-	546	884
Culture and recreation	3,135	3,336	-	-	3,135	3,336
Conservation and development	2,563	1,176	-	-	2,563	1,176
Interest on long-term debt	1,227	1,214	-	-	1,227	1,214
Electric	-	-	44,413	44,493	44,413	44,493
Steam	-	-	-	563	-	563
Water	-	-	3,601	3,770	3,601	3,770
Telecommunications	-	-	53	53	53	53
Sewage treatment	-	-	1,737	2,051	1,737	2,051
Stormwater Utility	-	-	1,105	1,299	1,105	1,299
Total Expenses	20,726	19,808	50,909	52,229	71,635	72,037
Change in Net Position Before Transfers	1,003	795	4,708	3,866	5,711	4,661
Transfer of debt	-	(15,208)	-	15,208	-	-
Transfers	1,271	(196)	(1,271)	196	-	-
Change in Net Position	2,274	(14,609)	3,437	19,270	5,711	4,661
Loss on impairment of assets	-	-	-	(2,219)	-	(2,219)
Net Position - January 1	9,101	23,557	34,060	17,009	43,161	40,566
Prior period adjustment	(547)	153	-	-	(547)	153
Cumulative effect of change in accounting principle	3,884	-	1,218	-	5,102	-
Net Position - January 1, restated	12,438	23,710	35,278	17,009	47,716	40,719
Net Position - December 31	$ 14,712	$ 9,101	$ 38,715	$ 34,060	$ 53,427	$ 43,161

The narrative that follows considers the operations of governmental and business-type activities separately.

Governmental activities. The change in net position for 2015 was an increase of $5.6 million, with $3.9 million attributed to the new pension standards.

Business-type activities. The change in net position for 2015 was an increase of $4.7 million, with 1.2 million attributed to the new pension standards.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of December 31, 2015, the City's governmental funds reported combined ending fund balances of $3.3 million, a decrease of $.2 million in comparison with the prior year. $5.1 million of the fund balance is *nonspendable or restricted* to indicate that it is not available for new spending. $.5 million is assigned, indicating there is a specific purpose for the revenues earned in these funds. The remaining fund balance is a deficit of $2.3 million.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was $1,271,872, while total fund balance decreased to $2,739,223. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.6% of total general fund expenditures, while total fund balance represents 16.4% of that same amount.

The City's general fund balance decreased $62,582 during the current year as positive revenue variances of $143,156 helped overcome the anticipated budgeted variance of $143,575.

The debt service fund is used to retire long-term debt related to governmental activities and annually levies sufficient taxes, special assessment collections or anticipated transfers from the City's tax incremental districts to retire all obligations as they come due. The debt service fund balance totals $995,834, a decrease of $280,958 from the prior year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the City's government-wide financial statements, but in more detail.

Total net position of Menasha Utilities at the end of the year amounted to $23,871,105 with $12,002,442 recorded in net investment in capital assets, $725,715 restricted for debt retirement, $902,805 restricted for a lease obligation, $1,206,924 restricted for plant replacement, $1,023,959 restricted for pension benefits and $8,009,260 as unrestricted. The fund experienced an increase in net position of $3,940,453.

Total net position of the sewage treatment operation at the end of the year amounted to $5,447,275. Included in net position is $3,869,153 recorded in net investment in capital assets, $48,083 restricted for pension benefits and $1,530,039 as unrestricted. The fund experienced an increase in net position of $534,573.

Total net position of the stormwater utility operation at the end of the year amounted to $9,454,161. Included in net position is $8,778,820 recorded in net investment in capital assets, $125,716 restricted for pension benefits, and $549,625 as unrestricted. The fund experienced a decrease in net position of $187,097.

General Fund Budgetary Highlights

During the year, actual revenues were more than budgeted revenues by $143,156 with miscellaneous providing the major variation ($89,056) Actual expenditures were greater than budgeted expenditures by $48,256, primarily in the public works and sanitation area ($162,574).

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounts to $88.0 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways, sidewalks, parking facilities), and construction in progress. The total increase in the City's investment in capital assets for the current year was $2.2 million or 2.6% higher than last year.

Major capital assets acquired, constructed or deleted during the year include:

Governmental Activities

- Streets - $888,839
- Parking lot - $290,000
- Senior Center renovation - $278,805
- Fire truck - $160,439

Business-Type Activities

- Electric utility had total contributed plant of $2,407,079.

City of Menasha, Wisconsin's Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	$ 9,163,876	$ 9,163,876	$ 2,510,696	$ 2,510,576	$ 11,674,572	$ 11,674,452
Buildings	12,506,672	12,029,633	8,802,062	8,674,758	21,308,734	20,704,391
Improvements other than buildings	-	-	52,224,840	50,521,931	52,224,840	50,521,931
Machinery and equipment	10,537,806	9,624,508	18,462,556	17,958,816	29,000,362	27,583,324
Infrastructure	30,375,630	29,342,189	-	-	30,375,630	29,342,189
Construction in progress	134,164	228,482	578,915	746,323	713,079	974,805
Other assets	-	-	362,767	352,600	362,767	352,600
Less: Accumulated depreciation	(27,326,477)	(26,771,881)	(30,301,608)	(28,584,812)	(57,628,085)	(55,356,693)
Total	$ 35,391,671	$ 33,616,807	$ 52,640,228	$ 52,180,192	$ 88,031,899	$ 85,796,999

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $48,850,687. Of this amount, $34,843,477 comprises debt backed by the full faith and credit of the government while the remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Menasha, Wisconsin's Outstanding Debt General Obligation Debt, Revenue Bonds and Other Debt						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General Obligation Debt						
Bonds	$ -	$ 2,800,000	$ -	$ -	$ -	$ 2,800,000
Notes	32,411,718	29,976,118	2,431,759	2,538,945	34,843,477	32,515,063
Total General Obligation	32,411,718	32,776,118	2,431,759	2,538,945	34,843,477	35,315,063
Revenue bonds	-	-	13,507,471	14,536,879	13,507,471	14,536,879
Due to Town of Menasha	-	-	499,739	527,342	499,739	527,342
Capital leases	-	-	11,550,844	11,976,839	11,550,844	11,976,839
Total	$ 32,411,718	$ 32,776,118	$ 27,989,813	$ 29,580,005	$ 60,401,531	$ 62,356,123

State statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is $50,502,385.

Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry and retail activities which support our tax base.
- Inflationary trends in our region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2016 year.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Menasha Comptroller/Treasurer, 140 Main Street, Menasha, WI 54952-3190.

BASIC FINANCIAL STATEMENTS

CITY OF MENASHA, WISCONSIN
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-type Activities	Totals	Component Unit Redevelopment Authority
ASSETS				
Cash and investments	$ 7,520,911	$ 3,098,529	$ 10,619,440	$ 501,262
Receivables				
Taxes	6,634,972	-	6,634,972	-
Accounts	822,226	5,435,289	6,257,515	45,820
Special assessments	760,722	-	760,722	-
Loans	5,354,751	122,576	5,477,327	-
Land contracts receivable	-	-	-	291,599
Internal balances	57,818	(57,818)	-	-
Due from other governments	541,084	114,079	655,163	-
Inventories and prepaid items	257,008	693,011	950,019	-
Restricted and other assets				
Cash and investments	308,112	9,642,763	9,950,875	-
Capitalization deposit with CVMIC	1,031,220	-	1,031,220	-
Interest receivable	-	6,192	6,192	-
Net pension asset	1,931,930	587,073	2,519,003	-
Property held for sale	-	-	-	2,754,500
Capital assets, nondepreciable				
Land	9,163,876	2,510,696	11,674,572	-
Other assets	-	362,767	362,767	-
Construction in progress	134,164	578,915	713,079	-
Capital assets, depreciable				
Buildings and improvements	12,506,672	8,802,062	21,308,734	-
Improvements other than buildings	-	52,224,840	52,224,840	-
Machinery and equipment	10,537,806	18,462,556	29,000,362	-
Infrastructure	30,375,630	-	30,375,630	-
Less: Accumulated depreciation	(27,326,477)	(30,301,608)	(57,628,085)	-
TOTAL ASSETS	60,612,425	72,281,922	132,894,347	3,593,181
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows relating to pension	1,994,090	610,685	2,604,775	-
LIABILITIES				
Accounts payable	813,938	3,884,688	4,698,626	36,724
Accrued and other current liabilities	174,491	2,027,075	2,201,566	-
Accrued interest payable	902,579	134,134	1,036,713	-
Due to other governments	471	-	471	3,900,000
Unearned revenues	10,043	142,174	152,217	-
Long-term obligations				
Due within one year	2,882,208	1,647,734	4,529,942	-
Due in more than one year	31,402,438	26,342,079	57,744,517	-
TOTAL LIABILITIES	36,186,168	34,177,884	70,364,052	3,936,724
DEFERRED INFLOWS OF RESOURCES				
Property taxes	11,708,129	-	11,708,129	-
NET POSITION				
Net investment in capital assets	17,867,058	24,650,415	42,517,473	-
Restricted for				
Debt service	995,834	725,715	1,721,549	-
Capital projects	2,047,121	1,206,924	3,254,045	-
Lease obligation	-	902,805	902,805	-
Community development	1,623,081	-	1,623,081	-
Other purposes	566,761	-	566,761	-
Pension benefits	3,926,020	1,197,758	5,123,778	-
Unrestricted	(12,313,657)	10,031,106	(2,282,551)	(343,543)
TOTAL NET POSITION	$ 14,712,218	$ 38,714,723	$ 53,426,941	$ (343,543)

The notes to the basic financial statements are an integral part of this statement.

CITY OF MENASHA, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 1,279,035	$ 341,927	$ -	$ -
Public safety	8,043,963	658,141	71,551	-
Public works	3,932,052	607,849	644,399	195,314
Health and human services	546,201	416,336	130,978	-
Culture and recreation	3,135,062	870,549	71,176	794,449
Conservation and development	2,562,839	15,110	38,004	268,195
Interest on debt	1,226,707	-	-	-
Total Governmental Activities	20,725,859	2,909,912	956,108	1,257,958
Business-type Activities				
Electric utility	44,413,310	46,141,669	-	357,253
Water utility	3,601,207	5,530,122	-	51,957
Telecommunication utility	52,833	101,463	-	5,962
Sewerage system	1,736,524	2,225,555	-	-
Stormwater utility	1,105,473	1,136,879	-	-
Total Business-type Activities	50,909,347	55,135,688	-	415,172
Total Primary Government	$ 71,635,206	$ 58,045,600	$ 956,108	$ 1,673,130
Component Unit				
Redevelopment Authority	$ 298,650	$ 270,000	$ -	$ -

General revenues
Taxes
Property taxes levied for general purposes
Property taxes levied for debt service
Tax increments
Other taxes
Federal and state grants and other contributions not restricted to specific functions
Interest and investment earnings
Miscellaneous
Transfers
Special items
Loss on impairment and disposal of assets
Total general revenues, special items and transfers

Change in net position

Net position (deficit) - January 1

Prior period adjustment

Cumulative change in accounting principle

Net position (deficit) - January 1, restated

Net position (deficit) - December 31

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals	Component Unit Redevelopment Authority
$ (937,108)	$ -	$ (937,108)	$ -
(7,314,271)	-	(7,314,271)	-
(2,484,490)	-	(2,484,490)	-
1,113	-	1,113	-
(1,398,888)	-	(1,398,888)	-
(2,241,530)	-	(2,241,530)	-
(1,226,707)	-	(1,226,707)	-
(15,601,881)	-	(15,601,881)	-
-	2,085,612	2,085,612	-
-	1,980,872	1,980,872	-
-	54,592	54,592	-
-	489,031	489,031	-
-	31,406	31,406	-
-	4,641,513	4,641,513	-
(15,601,881)	4,641,513	(10,960,368)	-
-	-	-	(28,650)
8,463,201	-	8,463,201	-
1,090,727	-	1,090,727	-
2,023,460	-	2,023,460	-
183,238	-	183,238	-
4,337,170	-	4,337,170	-
240,179	66,010	306,189	-
266,410	-	266,410	-
1,270,679	(1,270,679)	-	-
-	-	-	(39,499)
17,875,064	(1,204,669)	16,670,395	(39,499)
2,273,183	3,436,844	5,710,027	(68,149)
9,101,108	34,059,938	43,161,046	(275,394)
(546,545)	-	(546,545)	-
3,884,472	1,217,941	5,102,413	-
12,439,035	35,277,879	47,716,914	(275,394)
$ 14,712,218	$ 38,714,723	$ 53,426,941	$ (343,543)

CITY OF MENASHA, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2015

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 4,322,907	$ 1,389,210	$ 1,586,814	$ 7,298,931
Receivables				
Taxes	4,777,866	577,233	1,244,921	6,600,020
Delinquent personal property taxes	34,952	-	-	34,952
Accounts	345,580	20,311	430,343	796,234
Special assessments	1,923	758,799	-	760,722
Loans	-	3,900,000	1,454,751	5,354,751
Due from other funds	1,517,633	-	2,047,121	3,564,754
Due from other governments	502,640	-	38,444	541,084
Restricted cash and investments	-	-	308,112	308,112
Inventories and prepaid items	172,774	-	-	172,774
Advance to other funds	-	-	84,234	84,234
TOTAL ASSETS	$ 11,676,275	$ 6,645,553	$ 7,194,740	$ 25,516,568
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 512,572	$ -	$ 168,079	$ 680,651
Accrued and other current liabilities	174,491	-	-	174,491
Due to other funds	-	-	3,564,754	3,564,754
Due to other governments	471	-	-	471
Unearned revenues	-	-	10,043	10,043
Total Liabilities	687,534	-	3,742,876	4,430,410
Deferred Inflows of Resources				
Property taxes	8,249,518	990,917	2,467,694	11,708,129
Loans receivable	-	3,900,000	1,454,751	5,354,751
Special assessments	-	758,802	-	758,802
Total Deferred Inflows of Resources	8,249,518	5,649,719	3,922,445	17,821,682
Fund Balances				
Nonspendable				
Inventories and prepaid items	172,774	-	-	172,774
Long-term advance	1,122,249	-	-	1,122,249
Restricted				
Debt service	-	995,834	-	995,834
Library endowment	-	-	304,386	304,386
Community development	-	-	168,330	168,330
TID project plan	-	-	2,047,121	2,047,121
Park development	-	-	198,980	198,980
Hattie Minor Scholarship	-	-	25,649	25,649
Public safety	-	-	8,656	8,656
Heckrodt nature center	-	-	23,914	23,914
Senior center	-	-	5,176	5,176
Assigned	172,328	-	367,663	539,991
Unassigned				
General fund	1,271,872	-	-	1,271,872
Special revenue funds	-	-	(720,621)	(720,621)
Capital projects funds	-	-	(2,899,835)	(2,899,835)
Total Fund Balances	2,739,223	995,834	(470,581)	3,264,476
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 11,676,275	$ 6,645,553	$ 7,194,740	$ 25,516,568

(Continued)

CITY OF MENASHA, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2015

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page		$ 3,264,476
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		32,347,609
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special assessments		758,802
Loans receivable		1,454,751
Land contract receivable		3,900,000
Internal service funds reported in the statement of net position as governmental activities (see page 18)		4,247,785
The City'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:		
Net pension asset		1,931,930
Deferred outflow of resources		1,994,090
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	$ (32,411,718)	
Compensated absences	(1,413,446)	
OPEB liability	(459,482)	
Accrued interest on long-term obligations	(902,579)	(35,187,225)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 10)		$ 14,712,218

The notes to the basic financial statements are an integral part of this statement.

CITY OF MENASHA, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2015

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 8,285,401	$ 1,090,727	$ 2,384,498	$ 11,760,626
Special assessments	-	204,548	-	204,548
Intergovernmental	4,624,403	-	1,777,368	6,401,771
Licenses and permits	554,351	-	28,600	582,951
Fines and forfeits	126,493	-	-	126,493
Public charges for services	513,991	-	195,094	709,085
Intergovernmental charges for services	1,448,892	-	14,427	1,463,319
Miscellaneous	232,656	222,378	301,658	756,692
Total Revenues	15,786,187	1,517,653	4,701,645	22,005,485
Expenditures				
Current				
General government	1,357,455	-	44,608	1,402,063
Public safety	7,986,042	-	165,730	8,151,772
Public works	3,128,154	-	1,392,019	4,520,173
Health and human services	902,071	-	278,805	1,180,876
Culture and recreation	2,992,132	-	371,343	3,363,475
Conservation and development	286,804	-	2,345,001	2,631,805
Other	-	-	1,861	1,861
Debt service				
Principal	-	7,975,445	-	7,975,445
Interest and fiscal charges	-	1,253,622	-	1,253,622
Capital outlay	-	-	30,195	30,195
Total Expenditures	16,652,658	9,229,067	4,629,562	30,511,287
Excess of Revenues Under Expenditures	(866,471)	(7,711,414)	72,083	(8,505,802)
Other Financing Sources (Uses)				
Long-term debt issued	-	5,215,000	1,849,500	7,064,500
Transfers in	805,750	2,215,456	948,171	3,969,377
Transfers out	(1,861)	-	(2,696,837)	(2,698,698)
Total Other Financing Sources (Uses)	803,889	7,430,456	100,834	8,335,179
Net Change in Fund Balances	(62,582)	(280,958)	172,917	(170,623)
Fund Balances - January 1	2,801,805	1,276,792	(643,498)	3,435,099
Fund Balances - December 31	$ 2,739,223	$ 995,834	$ (470,581)	$ 3,264,476

(Continued)

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

Reconciliation to the Statement of Activities

Net Change in Fund Balances from previous page		$ (170,623)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay reported in governmental fund statements	$ 2,997,930	
Depreciation expense reported in the statement of activities	(1,280,802)	
Amount by which capital outlays are more than depreciation in current period		1,717,128
Certain 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. This year the accrual of these benefits increased by:		(58,292)
Change in the net pension asset and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan		41,548
Some capital assets acquired and other development expenditures incurred during the year were financed with debt. Debt issued is reported in the governmental funds as an other financing source. In the statement of net position; however, debt constitutes a long-term liability. The amount of debt proceeds reported in the governmental fund statements is:		(7,064,500)
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 obligation payments in the current year is:		7,975,445
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.		26,915
The net revenue of internal service funds is reported with governmental activities.		18,706
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(213,144)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 11 - 12)		$ 2,273,183

The notes to the basic financial statements are an integral part of this statement.

CITY OF MENASHA, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	$ 8,272,003	$ 8,290,616	$ 8,285,401	$ (5,215)
Intergovernmental	4,608,939	4,608,939	4,624,403	15,464
Licenses and permits	485,055	485,055	554,351	69,296
Fines and forfeits	125,000	125,000	126,493	1,493
Public charges for services	434,795	509,795	513,991	4,196
Intergovernmental charges for services	1,480,026	1,480,026	1,448,892	(31,134)
Miscellaneous	218,600	143,600	232,656	89,056
Total Revenues	15,624,418	15,643,031	15,786,187	143,156
Expenditures				
Current				
General government	1,410,061	1,409,811	1,357,455	52,356
Public safety	8,002,545	8,001,795	7,986,042	15,753
Public works and sanitation	2,960,216	2,965,580	3,128,154	(162,574)
Health and human services	905,610	905,610	902,071	3,539
Culture and recreation	2,984,028	2,985,178	2,992,132	(6,954)
Conservation and development	331,571	336,428	286,804	49,624
Total Expenditures	16,594,031	16,604,402	16,652,658	(48,256)
Excess of Revenues Under Expenditures	(969,613)	(961,371)	(866,471)	94,900
Other Financing Sources (Uses)				
Transfers in	814,613	817,796	805,750	(12,046)
Transfers out	-	-	(1,861)	(1,861)
Total Other Financing Sources (Uses)	814,613	817,796	803,889	(13,907)
Net Change in Fund Balance	(155,000)	(143,575)	(62,582)	80,993
Fund Balance - January 1	2,801,805	2,801,805	2,801,805	-
Fund Balance - December 31	$ 2,646,805	$ 2,658,230	$ 2,739,223	$ 80,993

The notes to the basic financial statements are an integral part of this statement.

CITY OF MENASHA, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Menasha Utilities	Sewage Treatment	Stormwater Utility	Totals	
ASSETS					
Cash and investments	$ 1,410,516	$ 1,120,749	$ 567,264	$ 3,098,529	$ 221,980
Receivables					
Accounts	5,017,581	417,708	-	5,435,289	25,992
Other	122,576	-	-	122,576	-
Inventories and prepaid expenses	693,011	-	-	693,011	-
Due from other funds	-	-	-	-	74,666
Due from other governments	-	-	114,079	114,079	-
Restricted and other assets					
Cash and investments	9,542,763	100,000	-	9,642,763	-
Capitalization deposit with CVMIC	-	-	-	-	1,031,220
Interest receivable	6,192	-	-	6,192	-
Net pension asset	506,053	24,474	56,546	587,073	-
Capital assets, nondepreciable					
Land	1,194,362	-	1,316,334	2,510,696	44,216
Other assets	362,767	-	-	362,767	-
Construction in progress	578,915	-	-	578,915	132,484
Capital assets, depreciable					
Buildings	8,802,062	-	-	8,802,062	1,000,642
Improvements other than buildings	33,727,062	8,733,015	9,764,763	52,224,840	-
Machinery and equipment	18,453,986	-	8,570	18,462,556	7,516,386
Less: Accumulated depreciation	(26,986,411)	(1,504,089)	(1,811,108)	(30,301,608)	(5,649,666)
TOTAL ASSETS	53,431,435	8,891,857	10,016,448	72,339,740	4,397,920
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to pension	517,906	23,609	69,170	610,685	-
LIABILITIES					
Accounts payable	3,657,576	95,394	131,718	3,884,688	133,287
Accrued and other current liabilities	2,027,075	-	-	2,027,075	-
Accrued interest payable	121,110	13,024	-	134,134	-
Due to other funds	-	-	-	-	74,666
Unearned revenue	142,174	-	-	142,174	-
Long-term obligations					
Due within one year	1,386,804	232,730	28,200	1,647,734	-
Due in more than one year	22,743,497	3,127,043	471,539	26,342,079	-
TOTAL LIABILITIES	30,078,236	3,468,191	631,457	34,177,884	207,953
NET POSITION					
Net investment in capital assets	12,002,442	3,869,153	8,778,820	24,650,415	3,044,062
Restricted for					
Debt service	725,715	-	-	725,715	-
Lease obligation	902,805	-	-	902,805	-
Plant replacement	1,206,924	-	-	1,206,924	-
Pension benefits	1,023,959	48,083	125,716	1,197,758	-
Unrestricted	8,009,260	1,530,039	549,625	10,088,924	1,145,905
TOTAL NET POSITION	$ 23,871,105	$ 5,447,275	$ 9,454,161	38,772,541	$ 4,189,967

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(57,818)
Net Position of Business-type Activities per Statement of Net Position (see page 10)	$ 38,714,723

The notes to the basic financial statements are an integral part of this statement.

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Menasha Utilities	Sewage Treatment	Stormwater Utility	Totals	
Operating Revenues					
Charges for services	$ 51,513,442	$ 2,224,704	$ 1,136,879	$ 54,875,025	$ 1,939,001
Other	255,999	851	-	256,850	156
Total Operating Revenues	51,769,441	2,225,555	1,136,879	55,131,875	1,939,157
Operating Expenses					
Operation and maintenance	44,751,445	1,518,193	983,785	47,253,423	1,328,209
Insurance payments and claims	-	-	2,630	2,630	220,392
Depreciation and amortization	1,810,724	134,458	97,309	2,042,491	386,921
Taxes	236,203	-	-	236,203	-
Total Operating Expenses	46,798,372	1,652,651	1,083,724	49,534,747	1,935,522
Operating Income	4,971,069	572,904	53,155	5,597,128	3,635
Nonoperating Revenues (Expenses)					
Investment income	63,658	292	2,060	66,010	935
Insurance recoveries	-	-	-	-	6,798
Merchandising and jobbing	3,813	-	-	3,813	-
Interest and fiscal charges	(1,142,284)	(82,661)	(15,907)	(1,240,852)	-
Gain on disposal of capital assets	-	-	284	284	-
Miscellaneous	(126,694)	-	-	(126,694)	-
Total Nonoperating Revenues (Expenses)	(1,201,507)	(82,369)	(13,563)	(1,297,439)	7,733
Income Before Contributions and Transfers	3,769,562	490,535	39,592	4,299,689	11,368
Capital contributions	415,172	-	-	415,172	-
Transfers out	(1,270,679)	-	-	(1,270,679)	-
Change in Net Position	2,914,055	490,535	39,592	3,444,182	11,368
Net Position - January 1, as originally reported	19,930,652	4,912,702	9,267,064	34,110,418	4,178,599
Cumulative effect of change in accounting principle	1,026,398	44,038	147,505	1,217,941	-
Net Position - January 1, restated	20,957,050	4,956,740	9,414,569	35,328,359	4,178,599
Net Position - December 31	$ 23,871,105	$ 5,447,275	$ 9,454,161	$ 38,772,541	$ 4,189,967

Reconciliation to the Statement of Activities

Net Change in Net Position	$ 3,444,182
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(7,338)
Net Change in Net Position per Statement of Activities (see pages 11 - 12)	$ 3,436,844

The notes to the basic financial statements are an integral part of this statement.

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

	Enterprise Funds				Governmental Activities - Internal Service Funds
	Menasha Utilities	Sewage Treatment	Stormwater Utility	Totals	
Cash Flows from Operating Activities					
Cash received from customers	$ 51,871,355	$ 2,165,490	$ 1,136,879	$ 55,173,724	$ 13,565
Cash received from City	-	-	-	-	1,925,207
Cash paid to suppliers	(42,787,568)	(1,260,702)	(731,567)	(44,779,837)	(1,043,837)
Cash paid to employees	(2,455,166)	(219,457)	(472,527)	(3,147,150)	(506,823)
Net Cash Provided (Used) by Operating Activities	6,628,621	685,331	(67,215)	7,246,737	388,112
Cash Flows from Noncapital and Related Financing Activities					
Transfers	(1,270,679)	-	-	(1,270,679)	-
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(2,425,872)	(31,368)	(230,003)	(2,687,243)	(444,657)
Principal payments on capital debt	(1,335,295)	(227,294)	(27,603)	(1,590,192)	-
Interest payments on capital debt	(1,148,794)	(83,545)	(15,907)	(1,248,246)	-
Proceeds from sale of capital assets	-	-	284	284	-
Proceeds from insurance recoveries	-	-	-	-	6,798
Asset disposal costs and salvage	(36,078)	-	-	(36,078)	-
Contributions from property owners	415,172	-	-	415,172	-
Net Cash Used by Capital and Related Financing Activities	(4,530,867)	(342,207)	(273,229)	(5,146,303)	(437,859)
Cash Flows from Investing Activities					
Interest received on investments	62,768	292	2,060	65,120	935
Change in Cash and Cash Equivalents	889,843	343,416	(338,384)	894,875	(48,812)
Cash and Cash Equivalents - January 1	10,063,436	877,333	905,648	11,846,417	270,792
Cash and Cash Equivalents - December 31	$ 10,953,279	$ 1,220,749	$ 567,264	$ 12,741,292	$ 221,980

(Continued)

CITY OF MENASHA, WISCONSIN
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2015

	Enterprise Funds				Governmental Activities - Internal Service Funds
	Menasha Utilities	Sewage Treatment	Stormwater Utility	Totals	
Reconciliation of Operating Income to					
Net Cash Provided (Used) by Operating Activities:					
Operating income	$ 4,971,069	$ 572,904	$ 53,155	$ 5,597,128	$ 3,635
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization	2,059,751	134,458	97,309	2,291,518	386,921
Merchandising and jobbing	3,813	-	-	3,813	-
Miscellaneous	(126,694)	-	-	(126,694)	-
Changes in pension related assets and deferred outflows	2,439	(4,045)	21,789	20,183	-
Changes in assets and liabilities					
Accounts receivable	82,160	(60,065)	-	22,095	(25,990)
Notes receivable	(13,351)	-	-	(13,351)	-
Inventories and prepaid expenses	14,941	-	-	14,941	-
Accounts payable	(423,923)	42,079	(219,475)	(601,319)	23,546
Accrued and other liabilities	29,124	-	-	29,124	-
Due from other funds	-	-	(19,993)	(19,993)	-
Deferred credits	29,292	-	-	29,292	-
Net Cash Provided (Used) by Operating Activities	$ 6,628,621	$ 685,331	$ (67,215)	$ 7,246,737	$ 388,112
Reconciliation of cash and cash equivalents					
Cash and investments	$ 1,410,516	$ 1,120,749	$ 567,264	$ 3,098,529	$ 221,980
Restricted and other cash and investments	9,542,763	100,000	-	9,642,763	-
Total Cash and Cash Equivalents	$ 10,953,279	$ 1,220,749	$ 567,264	$ 12,741,292	$ 221,980

The notes to the basic financial statements are an integral part of this statement.

CITY OF MENASHA, WISCONSIN
Statement of Net Position
Agency Fund
December 31, 2015

	Agency Fund
ASSETS	
Cash and investments	$ 6,597,111
Receivables	
Taxes receivable	9,859,818
TOTAL ASSETS	$ 16,456,929
LIABILITIES	
Due to other governments	$ 16,456,929

The notes to the basic financial statements are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Menasha, Wisconsin ("the City"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

1. Reporting Entity
   The City of Menasha is a municipal corporation governed by an elected eight member council. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has identified the Redevelopment Authority of the City of Menasha, Wisconsin (RDA) as a component unit due to the significance of the City's financial accountability with it.

2. Individual Component Unit Disclosure

   DISCRETELY PRESENTED COMPONENT UNIT

   The component unit column in the basic financial statements includes the financial data of the Redevelopment Authority of the City of Menasha, Wisconsin (RDA). The RDA was established to coordinate blight prevention and elimination and urban renewal throughout the City. The financial statements of the RDA are discretely presented in a separate column to emphasize that it is legally separate from the City. The RDA is governed by a seven-member board appointed by the Mayor and confirmed by the City Council. The RDA essentially exists to provide oversight and funding for City development projects in accordance with the powers conferred by the Wisconsin Statutes. City approval is needed for the acquisition and transfer of real estate, exercise powers of eminent domain, issuance of debt and establishment of an annual budget. Separate financial statements are not prepared for the RDA.

   JOINT VENTURE

   The City of Menasha is a participant with six other area municipalities in a joint venture to operate a wastewater treatment facility. The Neenah-Menasha Sewerage Commission was created for that purpose. The Commission is governed by a seven-member board composed of appointed members from the various municipalities. The Commission is designed to be a self-supporting entity, deriving its revenues from sewage treatment user fees from the various municipalities and industries it serves. The Commission has not been created for profit, and no part of the net income or profit shall accrue to the benefit of any private individual or any organization created for profit. Complete financial statements for the Neenah-Menasha Sewerage Commission can be obtained from the Commission's office at 101 Garfield Avenue, Menasha, Wisconsin 54952.

3. Government-Wide and Fund 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 nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily 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 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*.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, debt service and capital projects funds. Proprietary funds include enterprise and internal services funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

GENERAL FUND
This is the City's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

DEBT SERVICE FUND
This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major enterprise funds:

MENASHA UTILITIES FUND
This fund is used to account for the operating activities of the Menasha Water, Steam and Electric operations.

SEWAGE TREATMENT FUND
This fund is used to account for the operating activities of the Menasha Sewage Treatment operations.

STORMWATER UTILITY FUND
This fund is used to account for the operating activities of the Menasha Stormwater operations.

Additionally, the government reports the following fund types:

Internal service funds account for fleet maintenance, information technology and insurance services provided to other departments of the City on a cost reimbursement basis.

The City accounts for property taxes collected on behalf of other governments in an *agency fund*.

4. Measurement Focus and Basis of Accounting
The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund (other than agency funds) 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. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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 City 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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 City's water and electric functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

5. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

   a. Cash and Investments
   Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents.

   b. Accounts Receivable
   Accounts receivable are recorded at gross amount with uncollectible amounts 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 basic financial statements.

   c. Interfund Receivables and Payables
   During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset, in the general fund, by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

   The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or higher and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-type Activities
	Years	
Assets		
Buildings	30 - 40	25 - 50
Improvements other than buildings	-	25 - 100
Machinery and equipment	3 - 20	3 - 10
Infrastructure	10 - 100	-

g. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with City policy and bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

The Menasha Utilities Enterprise Fund has recorded a liability for accrued employee vacation leave at December 31, 2015. Employees are not granted a specific number of sick days, rather they may use as many as needed in each particular instance. Employees are not allowed to accumulate sick leave. Therefore, no liability for accumulated sick leave is recorded at December 31, 2015.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes 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 City has one item that qualifies for reporting in this category in the government-wide and proprietary funds statement of net position. The item is related to the City's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category, property taxes. The amounts will be recognized as an inflow of resources in the subsequent year for which they were levied. The City also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, special assessments and loan receivables. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Equity

FUND FINANCIAL STATEMENTS

Fund balance of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

- Committed fund balance - Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.

- Assigned fund balance - Amounts that are constrained for specific purposes by action of City management. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

- Restricted net position - Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

- Unrestricted net position - Net position that are neither classified as restricted nor as net investment in capital assets.

k. 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting
The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

   a. During October, City management submits to the City Council 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 City Council action.

   b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. 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.

   c. During the year, formal budgetary integration is employed as a management control device for the governmental funds.

   d. The legal level of budgetary control is by activity or department. Expenditures may not exceed budgeted appropriations provided in accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council. Management does not have authority to amend activity or department budget accounts.

   e. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

   The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2015.

2. Deficit Fund Equity
The following funds had deficit fund equity as of December 31, 2015:

Funds	Deficit Fund Balance
Special Revenue Funds	
Tax Incremental District No. 3	$ 621,580
Senior center legacy	13,065
Recycling	85,976
Capital Projects Funds	
Capital facility	1,919
Tax Incremental District No. 4	472,902
Tax Incremental District No. 7	552,458
Tax Incremental District No. 8	333,932
Tax Incremental District No. 11	208,553
Tax Incremental District No. 12	1,263,399
Tax Incremental District No. 13	66,672

The City anticipates funding the above deficit from future revenues of the funds.

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

The City 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 on the financial statements as "Cash and investments."

The City is authorized by Wisconsin Statute 66.0603 to invest in the following instruments:

a. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state if the time deposits mature in not more than three years.

b. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.

c. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of this state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

d. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investor Service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.

e. The Local Government Pooled Investment Fund.

f. Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.

g. Securities of open-end management investment companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.

The City's library endowment funds may invest in additional types of investments as allowed under Chapter 881 of the Wisconsin Statutes.

The carrying amount of the City's cash and investments, including the separate accounts noted above, totaled $27,668,688 on December 31, 2015 as summarized below:

Petty cash and cash on hand	$ 4,470
Deposits with financial institutions	25,173,068
Investments	
Common stock	100
U.S. Treasury stripped securities	196,374
Repurchase agreements	1,821,124
Wisconsin Local Government Investment Pool	255,049
Beneficial interest in Assets Held by the Community Foundation	218,503
	$ 27,668,688

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Primary Government	
Cash and investments	$ 10,619,440
Restricted and other cash and investments	9,950,875
Component Unit	
Cash and investments	501,262
Fiduciary Fund Statement of Net Position	
Agency Fund	6,597,111
	$ 27,668,688

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the specific risks and the City's policy related to the risk.

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 the failure of 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 City does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of $250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2015, none of the City's deposits with financial institutions were in excess of federal and state depository insurance limits.

On December 31, 2015, the City held repurchase agreement investments of $1,821,124 of which the underlying securities are held by the investment's counterparty, not in the name of the City.

Beneficial Interest in Assets Held by the Community Foundation

The City entered into an agreement with the Community Foundation for the Fox Valley Region, Inc. (Foundation) to establish the General Trust Fund and the Memorial Trust Funds of the Elisha D. Smith Public Library Endowment and Menasha 2000. The Foundation retains these funds as its property in a corporate capacity, not a trust capacity, while the City reports its interest in the assets held by the Foundation at fair value. The funds are to be used for support of the City's library operations and Menasha 2000 and the City makes advisory recommendations as to distribution of funds. The balance in these funds as of December 31, 2015 is $214,777 and $3,726, respectively. Since the Foundation retains ultimate authority and control over the fund, additional disclosures of investment risks are not available.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of year-end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
U.S. Treasury stripped securities	$ 196,374	$ 196,374	$ -	$ -	$ -
Wisconsin Local Government Investment Pool	255,049	-	-	-	255,049
Totals	$ 451,423	$ 196,374	$ -	$ -	$ 255,049

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury stripped securities	$ 196,374	$ -	$ -	$ -	$ 196,374
Repurchase Agreements	1,821,124	1,821,124	-	-	-
Wisconsin Local Government Investment Pool	255,049	255,049	-	-	-
Totals	$ 2,272,547	$ 2,076,173	$ -	$ -	$ 196,374

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of $255,049 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year 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 four equal installments on or before January 31, March 31, May 31 and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also levies and collects taxes for the Menasha School District, Appleton Area School District, Winnebago and Calumet Counties, Fox Valley Technical College and the State of Wisconsin. Collections and remittances of taxes for other entities are accounted for in the property tax agency fund.

3. Restricted and Other Cash and Investments

Restricted and other cash and investments on December 31, 2015 totaled $9,950,875 as detailed below:

Governmental Activities	
Restricted cash and investments	
Library endowment funds	$ 304,386
Menasha 2000	3,726
Total Governmental Activities	308,112
Business-type Activities	
Menasha Utilities	
Restricted cash and investments	
Bond redemption fund	725,715
Capital addition fund	1,206,924
Depreciation fund	2,168,148
Lease reserve fund	902,805
Utility reserve fund	263,210
Working capital reserve	3,363,781
Chemical stabilization fund	470,865
Post-employment health benefits fund	244,841
Other cash and investments	
Other investments	196,474
Total Menasha Utilities	9,542,763
Sewage Treatment	
Equipment replacement	100,000
Total Business-type Activities	9,642,763
Total Restricted and Other Cash and Investments	$ 9,950,875

Restricted cash and investments of Menasha were established in accordance with the requirements of debt issues and the capital lease agreements with WPPI Energy.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 9,163,876	$ -	$ -	$ 9,163,876
Construction in progress	228,482	1,680	95,998	134,164
Total capital assets, not being depreciated	9,392,358	1,680	95,998	9,298,040
Capital assets, being depreciated:				
Buildings and improvements	12,029,633	482,777	5,738	12,506,672
Machinery and equipment	9,624,508	1,271,429	358,131	10,537,806
Infrastructure	29,342,189	1,782,699	749,258	30,375,630
Subtotals	50,996,330	3,536,905	1,113,127	53,420,108
Less accumulated depreciation for:				
Buildings and improvements	6,202,539	259,677	5,738	6,456,478
Machinery and equipment	6,425,232	524,390	358,131	6,591,491
Infrastructure	14,144,110	883,656	749,258	14,278,508
Subtotals	26,771,881	1,667,723	1,113,127	27,326,477
Total capital assets, being depreciated, net	24,224,449	1,869,182	-	26,093,631
Governmental activities capital assets, net	$ 33,616,807	$ 1,870,862	$ 95,998	35,391,671
Less: related long-term debt outstanding related to capital assets				17,524,613
Net investment in capital assets				$ 17,867,058

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 2,510,576	$ 120	$ -	$ 2,510,696
Other assets	352,600	10,167	-	362,767
Construction in progress	746,323	498,113	665,521	578,915
Total capital assets, not being depreciated	3,609,499	508,400	665,521	3,452,378
Capital assets, being depreciated:				
Buildings and improvements	8,674,758	132,164	4,860	8,802,062
Improvements other than buildings	50,521,931	2,127,251	424,342	52,224,840
Machinery and equipment	17,958,816	607,185	103,445	18,462,556
Subtotals	77,155,505	2,866,600	532,647	79,489,458
Less accumulated depreciation for:				
Electric distribution utility	15,962,807	1,139,078	376,442	16,725,443
Energy services utility	129,198	8,687	28,875	109,010
Telecommunications utility	463,963	26,659	148	490,474
Water utility	8,945,414	885,327	169,257	9,661,484
Sewage treatment utility	1,369,631	134,458	-	1,504,089
Stormwater utility	1,713,799	97,309	-	1,811,108
Subtotals	28,584,812	2,291,518	574,722	30,301,608
Total capital assets, being depreciated, net	48,570,693	575,082	(42,075)	49,187,850
Business-type activities capital assets, net	$ 52,180,192	$ 1,083,482	$ 623,446	52,640,228
Less: related long-term debt outstanding related to capital assets				27,989,813
Net investment in capital assets				$ 24,650,415

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities	
General government	$ 47,158
Public safety	173,712
Public works	884,299
Health and human services	14,415
Culture and recreation	161,218
Subtotal	1,280,802
Capital assets held by the City's internal service fund is charged to various functions based on their usage of the assets	386,921
Total depreciation expense - governmental activities	$ 1,667,723

	Depreciation Expense	Allocated Depreciation	Increase in Accumulated Depreciation
Business-type activities			
Menasha Utilities			
Electric distribution utility	$ 948,041	$ 191,037	$ 1,139,078
Energy services utility	8,687	-	8,687
Telecommunications utility	26,659	-	26,659
Water utility	827,337	57,990	885,327
Sewage treatment utility	134,458	-	134,458
Stormwater utility	97,309	-	97,309
Total	$ 2,042,491	$ 249,027	$ 2,291,518

5. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2015 are detailed below:

	Interfund Receivables	Interfund Payables
General fund	$ 1,517,633	$ -
Special Revenue Funds		
Tax Incremental District No. 3	-	612,115
Senior Center Legacy	-	13,065
Capital Project Funds		
Capital Facility	-	1,919
Tax Incremental District No. 4	-	453,715
Tax Incremental District No. 5	920,931	-
Tax Incremental District No. 6	112,014	-
Tax Incremental District No. 7	-	518,564
Tax Incremental District No. 8	-	321,815
Tax Incremental District No. 9	843,341	-
Tax Incremental District No. 10	170,835	-
Tax Incremental District No. 11	-	493,318
Tax Incremental District No. 12	-	1,094,746
Tax Incremental District No. 13	-	55,497
Internal Service Funds		
Property and Liability Insurance	74,666	-
City Garage	-	74,666
Totals	$ 3,639,420	$ 3,639,420

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

The above interfund receivables and payable were recorded to eliminate deficit cash balances in the funds. The City anticipates that future cash inflows will be sufficient to offset the current deficit cash balances.

Interfund transfers for the year ended December 31, 2015 were as follows:

	Transfer to:			
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Transfers from:				
Major Governmental Fund				
General Fund	$ -	$ -	$ 1,861	$ 1,861
Nonmajor Government Funds	162,321	1,588,206	946,310	2,696,837
Enterprise Fund				
Menasha Utilities	643,429	627,250	-	1,270,679
Totals	$ 805,750	$ 2,215,456	$ 948,171	$ 3,969,377

Transfers were made for the following purposes:

Payment in lieu of taxes received from Menasha Utilities	$ 1,270,679
Close-out of steam utility special revenue fund	1,861
TID No. 5 donor transfer to TID No. 7	18,048
TID No. 5 donor transfer to TID No. 13	750,000
Parkland development transfer to TID No. 11	25,000
City's portion of TID No. 1 surplus at termination to Housing Rehab	4,660
TID reimbursement of prior year advanced from the general fund	84,197
TID administrative reimbursement	73,124
Marina administrative reimbursement	5,000
TID debt service contribution	1,588,206
Senior Center renovation	148,602
	$ 3,969,377

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2015:

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	$ 2,800,000	$ -	$ 2,800,000	$ -	$ -
Notes	30,522,663	7,064,500	5,175,445	32,411,718	2,882,208
Total General Obligation Debt	33,322,663	7,064,500	7,975,445	32,411,718	2,882,208
OPEB liability	418,865	40,617	-	459,482	-
Compensated absences	1,395,771	17,675	-	1,413,446	-
Governmental activities Total long-term obligations	$ 35,137,299	$ 7,122,792	$ 7,975,445	$ 34,284,646	$ 2,882,208
Business-type activities:					
General Obligation Debt					
Notes	$ 2,538,945	$ -	$ 107,186	$ 2,431,759	$ 111,207
Revenue bonds	14,536,879	-	1,029,408	13,507,471	1,053,803
Due to Town of Menasha	527,342	-	27,603	499,739	28,200
Capital leases	11,976,839	-	425,995	11,550,844	454,524
Business-type activities Total long-term obligations	$ 29,580,005	$ -	$ 1,590,192	$ 27,989,813	$ 1,647,734

Total interest paid during the year on long-term debt totaled $2,501,868.

General Obligation Debt

The City has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt has been issued for both governmental and proprietary fund activities. General obligation debt is reported in the proprietary funds if it is expected to be repaid from proprietary fund revenues.

General obligation debt service requirements are direct obligations and pledge the full faith and credit of the City. General obligation debt outstanding on December 31, 2015 totaled $34,843,477 and was comprised of the following issues:

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Notes	
$531,482 issued 4/6/11; $37,963 to $111,639 due annually through 2021; interest 3.00% to 18.00%	$ 531,482
$15,063 issued 8/2/12; $1,962 to $677 due annually through 2021; interest 3.00% to 18.00%	15,063
$13,463,549 issued 8/15/12; $715,719 to $1,145,752 due annually through 2027; interest 4.00%	11,180,853
$3,656,754 issued 8/15/12; $151,794 to $273,321 due annually through 2030; interest 4.00%	3,159,707
$3,920,000 issued 8/15/12; monthly payments of $216,365 to $333,593 due annually through 2027; interest 4.00%	3,255,378
$1,480,000 issued 8/15/12; $139,276 to $166,404 due annually through 2022; interest 3.00%	1,067,724
$900,000 issued 8/15/12; $84,695 to $101,191 due annually through 2022; interest 3.00%	649,292
$900,000 issued 8/15/12; $92,846 to $124,326 due annually through 2021; interest 3.00%	804,521
$350,000 issued 10/9/12; $36,989 to $44,193 due annually through 2022; interest 3.00%	283,564
$786,816 issued 11/22/13; $29,218 to $59,448 due annually through 2033; interest 4.25%	768,634
$1,642,875 issued 2/21/2014; $71,000 to $607,000 due annually through 2022; interest of 3.75%	1,552,000
$2,440,200 issued 2/21/2014; $90,000 to $650,000 due annually through 2020; interest of 3.75%	2,079,000
$595,000 issued 3/4/15; $108,222 to $247,275 due annually through 2018; interest 3.00%	595,000
$2,804,500 issued 3/4/15; $290,000 to $534,376 due annually through 2024; interest 3.50%	2,804,500
$2,045,000 issued 8/28/15; $107,523 to $270,138 due annually through 2024; interest 3.25%	2,045,000
$745,000 issued 8/28/15; $310,000 to $435,000 due annually through 2017; interest 2.50%	745,000
$875,000 issued 12/7/15; $78,522 to $111,063 due annually from 2017 through 2025; interest 3.25%	875,000
Total Governmental Activities Outstanding General Obligation Debt	32,411,718
Business-type Activities:	
Notes	
$2,786,026 issued 8/15/12; $111,207 to $200,716 due annually through 2031; interest 4.0%	2,431,759
Total General Obligation Debt	$ 34,843,477

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of $34,843,777 on December 31, 2015 are detailed below:

Year Ended	Governmental Activities		Business-type Activities		Totals	
December 31	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 2,882,208	$ 1,109,839	$ 111,207	$ 97,537	$ 2,993,415	$ 1,207,376
2017	3,126,440	991,777	115,922	92,822	3,242,362	1,084,599
2018	2,933,574	885,006	120,559	88,185	3,054,133	973,191
2019	3,007,932	776,791	125,381	83,363	3,133,313	860,154
2020	3,198,703	657,939	130,182	78,562	3,328,885	736,501
2021-2025	12,682,757	1,736,172	734,315	309,406	13,417,072	2,045,578
2026-2030	4,408,944	222,273	893,477	150,244	5,302,421	372,517
2031-2033	171,160	7,490	200,716	8,029	371,876	15,519
	$ 32,411,718	$ 6,387,287	$ 2,431,759	$ 908,148	$ 34,843,477	$ 7,295,435

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2015 was $16,654,742 as follows:

Equalized valuation of the City		$ 1,010,047,700
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		50,502,385
Total outstanding general obligation debt applicable to debt limitation	$ 34,843,477	
Less: Amounts available for financing general obligation debt		
Debt service fund	995,834	
Net outstanding general obligation debt applicable to debt limitation		33,847,643
Legal Margin for New Debt		$ 16,654,742

Revenue Bonds

Revenue bond debt service requirements are financed from operations of the City's enterprise fund. Revenue bonds outstanding on December 31, 2015 totaled $13,507,471 and were composed of the following issues:

Revenue Bonds	
$1,076,097 Clean Water Fund Loan dated 11/24/04; $991,397 received; $52,746 to $62,122 due annually through 2024; interest 2.365%	$ 510,123
$12,061,890 Clean Water Fund Loan dated 4/26/06; $12,061,890 received; $658,024 to $812,092 due annually through 2025; interest 2.365%	7,326,593
$779,363 Clean Water Fund Loan dated 4/11/07; $394,158 received; $41,267 to $52,697 due annually through 2026; interest 2.475%	514,498
$678,908 Clean Water Fund Loan dated 4/22/09; $644,286 received; $31,011 to $42,534 due annually through 2028; interest 2.668%	474,430
$872,956 Clean Water Fund Loan dated 11/9/11; $681,027 received; $31,938 to $49,830 due annually through 2031; interest 2.4%	198,221

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Revenue Bonds (continued)	
$639,000 Clean Water Fund Loan dated 6/13/12; $617,200 received $26,675 to $37,786 due annually through 2032; interest 2.2%	542,792
$1,276,480 Clean Water Fund Loan dated 7/25/12; $1,237,435 received: $53,625 to $75,960 due annually through 2032; interest 2.2%	1,091,164
$2,733,387 Clean Water Fund Loan dated 3/8/08; $2,530,286 received; $126,404 to $163,466 due annually through 2027; interest 2.365%	1,730,570
$872,956 Clean Water Fund Loan dated 11/9/11; $681,027 received; $35,633 to $42,258 due annually through 2031; interest 2.4%	685,191
$504,200 Clean Water Fund Loan dated 7/24/13; $429,308 received; $19,166 to $27,152 due annually through 2033; interest 2.63%	433,889
Total Revenue Bonds	$ 13,507,471

Annual principal and interest maturities of the above outstanding enterprise fund revenue bonds of $13,507,471 on December 31, 2015 are shown below:

Year Ended December 31	Principal	Interest	Total
2016	$ 1,053,803	$ 307,312	$ 1,361,115
2017	1,078,778	282,041	1,360,819
2018	1,104,346	256,171	1,360,517
2019	1,130,519	229,688	1,360,207
2020	1,157,313	202,575	1,359,888
2021-2025	6,147,687	583,878	6,731,565
2026-2030	1,457,558	115,430	1,572,988
2031-2033	377,467	9,214	386,681
	$ 13,507,471	$ 1,986,309	$ 15,493,780

The City has pledged future water and sewage treatment customer revenues, net of specified operating expenses, to repay outstanding revenue bonds. Proceeds from the revenue bonds provided financing for the construction or acquisition of capital assets of the City's water and sewage treatment utilities. Outstanding debt service of revenue bonds, 2015 principal and interest paid, and net customer revenues follows:

	Water Utility	Sewage Treatment	Total
Outstanding principal and interest	$ 11,568,709	$ 3,925,071	$ 15,493,780
Final maturity date	5/15/32	5/15/33	
2015 principal and interest paid	$ 1,050,567	$ 310,839	$ 1,361,406
Net customer revenues	$ 3,149,477	$ 931,535	$ 4,081,012
Debt coverage ratio	3.00	3.00	

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Capital Leases

Menasha Utilities (an enterprise fund of the City) entered into a sale and leaseback agreement with WPPI Energy ("WPPI"), its power supplier, during 2011 whereby Menasha Utilities sold substantially all of its electric utility capital assets along with its ownership share in American Transmission Company ("ATC") to WPPI. WPPI provided Menasha Utilities with cash and has agreed to lease the plant back to Menasha Utilities. At the conclusion of the lease term, Menasha Utilities has the option to reacquire all of the capital assets but not the ownership interest in ATC. The lease requires monthly payments of $99,329 to be made to WPPI. Annual payment requirements as of December 31, 2015 are as follows:

Year Ended December 31	Business-type Activities Principal
2016	$ 1,191,946
2017	1,191,946
2018	1,191,946
2019	1,191,946
2020	1,191,946
2021-2025	5,959,733
2026-2030	5,959,733
2031	396,780
Total Payments	18,275,976
Amount representing interest	6,725,132
Principal amount outstanding	$ 11,550,844

Leased plant included in Menasha Utility consists of the following:

Land	$ 522,728
Buildings	2,449,811
Improvements other than buildings	17,909,917
Equipment	5,094,757
Accumulated depreciation	(14,426,369)
Net leased plant	$ 11,550,844

Since WPPI is considered a related party, the leased capital assets have continued to be recorded at their historical cost along with the related accumulated depreciation to date. Depreciation on the leased plant is included in depreciation expense in the financial statements. Menasha Utilities fully expects to reacquire the capital assets at the conclusion of the lease. The Wisconsin Public Services Commission has also allowed the leased capital assets to continue to be included as part of all utility capital assets for the purposes of the annual payment in lieu of tax calculation.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

7. Pension Plan

a. Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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.

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.

b. 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:

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

c. 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 $999,022 in contributions from the City.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At December 31, 2015, the City reported an asset of $2,519,003 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City proportion of the net pension asset was based on the City share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the City proportion was 0.1079760%, which was a decrease of 0.0449731% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, City recognized pension expense of $999,077.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 365,177
Net differences between projected and actual earnings on pension plan investments	1,219,822
Changes in proportion and differences between employer contributions and proportionate share of contributions	46,360
Employer contributions subsequent to the measurement date	973,416
Total	$ 2,604,775

$973,416 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources
2015	$ 371,927
2016	371,927
2017	371,927
2018	371,927
2019	143,651

e. Actuarial Assumption

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

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

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

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

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

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

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. 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.

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
City's proportionate share of the net pension asset (liability)	$ (7,106,539)	$ 2,519,003	$ 10,120,867

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

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

f. Payable to the WRS

At December 31, 2015 the City of Menasha reported a payable of $144,387 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2015.

NOTE D - OTHER INFORMATION

1. Menasha Utilities Segment Information

Menasha Utilities has two operations that require segment information to be reported. Segment information for Steam Production, Electric Distribution, and Water Distribution follows:

	Electric Distribution	Water
Assets		
Current	$ 6,216,903	$ 1,004,450
Due from other funds	29,370	1,058
Restricted	5,920,455	3,588,292
Noncurrent		
Net Capital Assets	14,259,351	21,484,186
Advance to other funds	885,465	-
Net pension asset	322,021	184,032
Total Assets	27,633,565	26,262,018
Deferred Outflows of Resources		
Pension Contributions	331,115	186,791
Liabilities		
Current	4,675,365	1,253,758
Due to other funds	39,183	-
Noncurrent		
Advance from other funds	-	437,465
Due within one year	454,524	932,280
Due in more than one year	11,096,320	11,647,177
Total Liabilities	16,265,392	14,270,680
Net Position		
Net investment in capital assets	2,708,507	8,904,729
Restricted		
Debt service	-	725,715
Lease obligation	902,805	-
Plant replacement	1,206,924	-
Pension benefits	653,136	370,823
Unrestricted	6,227,916	2,176,862
Total Net Position	$ 11,699,288	$ 12,178,129

(Continued)

NOTE D - OTHER INFORMATION (Continued)

	Electric Distribution	Water
Operating Revenues		
Charges for services	$ 45,929,984	$ 5,468,114
Other	196,324	59,675
Total Operating Revenues	46,126,308	5,527,789
Operating Expenses		
Operating	42,566,800	2,378,312
Depreciation	948,041	827,337
Total Operating Expenses	43,514,841	3,205,649
Operating Income	2,611,467	2,322,140
Nonoperating Income (Expenses)		
Interest revenue	53,888	9,659
Merchandising and jobbing	1,480	2,333
Interest and fiscal charges	(765,952)	(361,748)
Miscellaneous	(92,884)	(33,810)
Total Nonoperating Income (Expenses)	(803,468)	(383,566)
Income Before Contributions, Extraordinary Losses and Transfers	1,807,999	1,938,574
Customer contributions	357,253	51,957
Transfers out	(615,852)	(663,624)
Change in Net Position	1,549,400	1,326,907
Net Position - January 1	9,496,752	10,477,960
Cumulative Effect of Change in Accounting Principle	653,136	373,262
Net Position - December 31	$ 11,699,288	$ 12,178,129

2. Component Unit
This report contains the Menasha Redevelopment Authority (RDA) which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and the statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following are additional disclosures related to the RDA.

a. Cash and Investments: At year end, the carrying amount of the RDA's deposits and investments was $501,262. This amount is included in the totals presented in Note C.1.

NOTE D - OTHER INFORMATION (Continued)

3. Joint Ventures

Menasha-Neenah Municipal Court

The City of Neenah and the City of Menasha have enacted joint ordinances creating the Menasha-Neenah Municipal Court. Each City's proportionate share in the annual operations is equal to the percentage share of citations issued by that city compared to the total citations issued by both cities since the inception of the municipal court. The breakdown as of December 31, 2015 was as follows:

City	Number of 2015 Citations	Number of Citations Since Inception	% of Total
City of Menasha	$ 1,733	$ 26,996	40.9%
City of Neenah	2,403	39,074	59.1%
Totals	$ 4,136	$ 66,070	100.0%

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

As of December 31, 2015, the court had a deficit of $273,152. The allocation of this deficit is as follows:

City of Menasha	$ 6,160
City of Neenah	8,542
Total	$ 14,702

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

Financial information of the court as of December 31, 2015 is included in the City of Neenah's financial statements as supplementary information. Separate financial statements are not available. The City of Menasha does not have an equity interest in this organization.

Neenah-Menasha Fire Rescue

On January 1, 2003, the City of Neenah and City of Menasha merged their fire departments. The merged fire department is known as the Neenah-Menasha Fire Rescue (NMFR). It provides fire and rescue services to the citizens of both communities.

The communities share in the annual operation of the fire department as follows: City of Menasha – 39.45% and City of Neenah – 60.55%.

Annually as part of the budget process, the joint finance and personnel committee will re-evaluate the cost distribution formula based on the following five factors: 1) population, 2) equalized value, 3) annual fire/rescue calls, and 4) square miles.

The Joint Fire Commission consists of six members with three year staggered terms. Neenah and Menasha each appoint three members to the commission. The appointees are not elected officials of the municipalities.

NOTE D - OTHER INFORMATION (Continued)

The oversight of the day-to-day operations and budgetary matters of the Neenah-Menasha Fire Rescue are conducted by the Joint Fire Finance and Personnel Committee. The recommendations of the Joint Finance and Personnel Committee shall be acted upon separately by the common councils of both Neenah and Menasha and are effective only upon concurrence of both councils.

The City of Neenah is responsible for administering and accounting for all funds received and disbursed. A separate fund (an agency fund) has been established by the City of Neenah to account for fire services.

The City accounts for its share of the operations in the general fund. The City of Menasha does not have an equity interest in this organization. Financial information related to the Neenah-Menasha Fire Rescue as of December 31, 2015 is included in the City of Neenah's financial statements as supplementary information. Separate financial statements are not available.

4. Wisconsin Public Power Incorporated Contract (WPPI)

The City's electric utility purchases its electric requirements from the Wisconsin Public Power Incorporated (WPPI). WPPI is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act, Sec. 66.073 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical and reliable supply of electric energy to its members.

The City is one of 50 members of WPPI located throughout the State of Wisconsin. On December 31, 1989, each of WPPI's members, including the City of Menasha, commenced purchasing electric service from WPPI under a new Long-term Power Supply Contract for Participating Members (the Long-term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial thirty-five (35) year term. The contract was amended during 2002 to extend the term of the contract through 2037.

Under the Long-term Contract, the City and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirement which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its Board of Directors, which consists of representatives from each member municipality. The City has agreed to charge rates to the retail rate payers of its electric system sufficient to meet its obligation to WPPI. The Long-term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the City's electric system payable from any operating and maintenance fund established by the City.

The Long-term Contract may be terminated by either party upon five years prior written notice effective at the end of the initial thirty-five year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

The electric operation purchases power through Wisconsin Public Power, Inc. for distribution to its customers. Total purchases under this arrangement amounted to approximately $40.1 million in 2015.

NOTE D - OTHER INFORMATION (Continued)

5. Risk Management

The City is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City has chosen to retain a portion of the risks through self-insurance programs and has also purchased insurance to transfer other risks to outside parties. Payments of premiums for these policies are recorded as expenditures or expenses in various funds of the City. Insurance settlements have not exceeded insurance coverage in any of the past three years nor has there been any significant reduction in insurance coverage compared to the prior year. A description of the City's risk management programs follows.

Property and Liability Insurance

During 1987, the City, together with certain other units of government within the State of Wisconsin, created the Cities and Villages Mutual Insurance Company (CVMIC), a joint venture, to provide liability insurance services to its members. The City is partially self-insured for liability insurance and pays premiums to CVMIC for its excess liability insurance coverage. The actuary for CVMIC determines premium charges to its members required to pay the expected claims and loss adjustment expenses. CVMIC's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each member. CVMIC provides general liability, police and nurses professional liability, public official's liability and vehicle liability coverage for the City. The City's self-insured retention limit is $25,000 for each occurrence with a maximum limit of $100,000 annually. Premiums paid to CVMIC for insurance coverage are recorded in a self-insurance internal service fund. The self-insurance internal service fund charges various City departments and operations for their portion of insurance coverage for the year.

The claims reported in the fund at December 31, 2015 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic purpose financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. On December 31, 2015, the property and liability insurance internal service fund has available $1,193,928 for future unreported claims. Changes in the fund's claim liability amount for 2014 and 2015 follow:

	Liability January 1	Current Claims and Changes in Estimates	Claim Payments	Liability December 31
2014	$ -	$ 54,649	$ 2,632	$ 52,017
2015	52,017	114,550	124,304	42,263

NOTE D - OTHER INFORMATION (Continued)

Dental Insurance

City employees, COBRA employees, retirees and employee dependents are eligible for dental benefits from a dental insurance internal service fund. Funding is provided by charges to City departments, employees and retirees. Fund expenses consist of payments to a third-party administrator for dental claims and administrative fees. The claims liability of $3,606 reported in the fund at December 31, 2015, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. On December 31, 2015, the dental insurance internal service fund has available $60,968 for future unreported claims. Changes in the fund's claims liability amount for 2014 and 2015 follow:

	Liability January 1	Current Claims and Changes in Estimates	Claim Payments	Liability December 31
2014	$ 7,049	$ 103,852	$ 104,348	$ 6,553
2015	6,553	105,842	108,789	3,606

6. Other Post-Employment Benefits

Plan Description - The City provides health care insurance coverage for employees who retire until they reach the age of 65. The retired employee contributes 100% of the premium for family coverage or 100% of the premium for single coverage. There are 171 active and 10 retired employees in the plan.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Component	Amount
Annual required contribution	$ 102,295
Interest on net OPEB	17,090
Adjustment to annual required contribution	(78,768)
Annual OPEB cost (expense)	40,617
Contributions made	-
Change in net OPEB obligation	40,617
OPEB obligation - beginning of year	418,865
OPEB obligation - end of year	$ 459,482

The annual required contribution for the current year was determined as part of the January 1, 2015 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 4.08% discount rate, and (b) projected salary increases at 4.00%.

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll. The remaining amortization period at December 31, 2015 is 30 years, and the remaining amount is $897,507.

NOTE D - OTHER INFORMATION (Continued)

Trend Information - The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 through 2015 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	$ 96,148	1.98%	$ 318,334
12/31/2014	100,531	0.00%	418,865
12/31/2015	40,617	0.00%	459,482

Funded Status and Funding Progress - As of January 1, 2015, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was $897,507. The annual payroll for active employees covered by the plan for the 2015 fiscal year was $8,840,252 for a ratio of the UAAL to covered payroll of 10.15%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2015 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 4.08% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 10% for medical, reduced by decrements to an ultimate rate of 5% for medical after six years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2015 was 30 years.

7. Tax Incremental Districts

The City currently maintains separate special revenue and capital project funds to account for ten Tax Incremental Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on general obligation debt issued by the City to finance such improvements. All eligible project expenditures for the Districts have been completed for the TID No. 1, and TID No. 3 projects. Therefore, special revenue funds are utilized to account for tax increment and other revenues used to finance principal and interest payments on outstanding general obligation debt applicable to these Districts. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's TID No. 4, No. 5, No. 6, No. 7, No. 8, No. 9, No. 10, No. 11, No. 12, and No. 13 were created in 1997, 1998, 1998, 2002, 2004, 2004, 2006, 2008, 2011, and 2015 respectively, and therefore are still eligible to incur project costs. Accordingly, TID No. 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 are accounted for as capital projects funds.

NOTE D - OTHER INFORMATION (Continued)

Since creation of the above Districts, the City has provided various financing sources to each TID and has also recorded eligible TID project costs in other funds of the City. The foregoing amounts are not recorded as liabilities in the TID special revenue and capital projects funds but can be recovered by the City from future excess tax increment revenues. Detail of the amounts recoverable (surplus) by the City as of December 31, 2015 from future excess tax increment revenues follows:

Net Unreimbursed Project Costs	
Tax Incremental District No. 3	$ 14,630
Tax Incremental District No. 4	748,278
Tax Incremental District No. 5	(934,899)
Tax Incremental District No. 6	1,470,786
Tax Incremental District No. 7	1,645,958
Tax Incremental District No. 8	947,030
Tax Incremental District No. 9	2,994,085
Tax Incremental District No. 10	50,165
Tax Incremental District No. 11	977,186
Tax Incremental District No. 12	1,263,398
Tax Incremental District No. 13	66,672
	$ 9,243,289

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. The City has amended the project plan of District No. 5 to include transfers to Districts No. 7 and No. 13.

8. Major Customer
During 2015, the City's electric utility billed one customer $19,994,933, and one customer $4,619,974. This represents 43% and 10% of electric utility operating revenue, respectively. In addition, the water utility billed one customer $832,957. This represents 15% of water utility operating revenue. No other utility customer accounted for more than 10% of operating revenue.

9. Property Tax Levy Limit
Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2015 and 2016 budget years, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2015 budget was 1.80%. The actual limit for the City for the 2016 budget was .95%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

10. Contingencies
    a. The City's valuation and taxing power secure a portion of the outstanding long-term debt of the Neenah-Menasha Sewerage Commission, a joint venture created by the City and six other municipalities. The City would be liable in the unlikely event that the Commission defaulted on the debt.

    b. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE D - OTHER INFORMATION (Continued)

c. From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations except as indicated below.

11. CVMIC

CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC that was established under Section 66.30 of the Wisconsin Statutes governing intergovernmental cooperation commissions.

CVMIC insures the municipalities up to $5,000,000 per occurrence above the self-insured retention amount selected by each individual city or village. CVMIC also provides excess insurance of $5,000,000 over the CVMIC layer thru a group purchase program paid proportionately by members for a total limit of $10,000,000 per occurrence. Members pay premiums based on their self-insured retention amount, claims experience and population.

Management of CVMIC and WMIC consists of a board of directors and officers elected by the membership from each class of participants based on population. The board of directors hires the company executive director who in turn hires the management staff of CVMIC. The City does not exercise any control over the activities of CVMIC and WMIC beyond the election of the officer and board.

Financial statements of CVMIC can be obtained directly from CVMIC's offices. The City's initial capitalization contribution in CVMIC of $1,031,220 has been recorded as a deposit in the self-insurance internal service fund. The City's Mutual Member Participation Calculation for 2014 is calculated at 2.165%. This calculation is based on premiums, claims and self-insured retention of the city as compared to the entire membership. Upon dissolution, the City would be entitled to a lump sum payment from CVMIC that may vary significantly from the amount of its deposit referred to above, based on the then financial condition of CVMIC. WMIC is not required to have an audit.

The City pays an annual premium to CVMIC for its general liability insurance as noted. The City's self-insured retention amount annually is $50,000 per occurrence and $200,000 in the aggregate. An actuarially determined estimate for outstanding losses and incurred but not reported losses related to the City is $12,018.

12. Cumulative Effect of Change in Accounting Principles

The City has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The cumulative effect of this change is summarized below:

		Business-type Activities				
	Governmental Activities	Menasha Utilities	Sewer Utility	Stormwater Utility	Total	Total
Net Pension Asset	$ 3,118,923	$ 830,400	$ 35,359	$ 118,434	$ 984,193	$ 4,103,116
Deferred Outflows of Resources	765,549	195,998	8,679	29,071	233,748	999,297
Total Cumulative Effect of Change in Accounting Principle	$ 3,884,472	$ 1,026,398	$ 44,038	$ 147,505	$ 1,217,941	$ 5,102,413

NOTE D - OTHER INFORMATION (Continued)

13. Upcoming Accounting Pronouncements
In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, Fair Value Measurement and Application. Statement No. 72 requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also requires disclosures about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2015, the GASB issued two new standards addressing accounting and financial reporting for post-employment benefits other than pensions (OPEB). GASB Statement No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, addresses reporting by OPEB plans whereas GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. The City will, after adoption of GASB No. 75, recognize on the face of the financial statements its net OPEB liability. GASB No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB No. 75 is effective one year later. The City is currently evaluating the impact these standards will have on the financial statements when adopted.

14. Prior Period Adjustment
A prior period adjustment was recorded in the government-wide statement of net position to recognize two general obligation notes entered into in 2011 and 2012 for the steam utility but not previously recognized. The notes have values of $531,482 and $15,063, respectively.

15. Subsequent Events
The City refinanced G.O. notes assumed from the steam utility that were issued August 15, 2012 with the following state trust fund loan details below:

$768,633.79 refinanced issued 8/15/12; $29,813 to $57,409 due annually through 2033; interest 3.75%
$11,180,853 refinanced issued 8/15/12; $746,875 to $1,132,554 due annually through 2027; interest 3.75%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MENASHA, WISCONSIN
Schedule of Funding Progress
Other Post Employment Benefit Plan
For the Year Ended December 31, 2015

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	$ -	$ 759,614	0.00%	$ 759,614	$ 10,554,866	7.20%
2012	-	771,308	0.00%	771,308	8,362,803	9.22%
2015	-	897,507	0.00%	897,507	8,840,252	10.15%

See Notes to Required Supplementary Information.

CITY OF MENASHA, WISCONSIN
Schedule of Employer Contributions
Other Post Employment Benefit Plan
For the Year Ended December 31, 2015

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2013	$ 1,900	$ 99,787	1.90%
2014	-	105,702	0.00%
2015	-	102,295	0.00%

See Notes to Required Supplementary Information.

CITY OF MENASHA, WISCONSIN
Schedule of Proportionate Share of the Net Pension Asset
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Proportion of the net pension asset	0.10797600%
Proportionate share of the net pension asset	$2,519,003
Covered-employee payroll	$8,665,694
Plan fiduciary net position as a percentage of the total pension asset	102.74%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

CITY OF MENASHA, WISCONSIN
Schedule of Proportionate Share of the Net Pension Asset
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Proportion of the net pension asset	0.10797600%
Proportionate share of the net pension asset	$2,519,003
Covered-employee payroll	$8,665,694
Plan fiduciary net position as a percentage of the total pension asset	102.74%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

CITY OF MENASHA, WISCONSIN
Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years*

		2015
Contractually required contributions	$	999,022
Contributions in relation to the contractually required contributions	$	999,022
Contribution deficiency (excess)	$	-
Covered-employee payroll	$	8,665,694
Contributions as a percentage of covered-employee payroll		11.53%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available.

NOTE B - WISCONSIN RETIREMENT SYSTEM

There were no changes of benefit terms or assumptions for any participating employer in WRS.

NOTE C - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 45

The City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the fiscal year ended December 31, 2009. Information for prior years is not available.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trust) that are legally restricted to expenditures for specific purposes. The City utilizes special revenue funds to record financial transactions pertaining to the following activities:

Housing Rehab
To account for activity of loans made to local homeowners that were originally financed by an economic development grant received by the City from the Wisconsin Department of Development.

Community Development Block Grant
To account for grant proceeds received by the City from the Wisconsin Department of Administration to be used to make loans to local homeowners.

Marina Operations
To account for collections from the City marina used to finance related disbursements for personnel, supplies and improvements.

Tax Incremental Districts (TIDs)
To account for tax increment revenues of TID No. 1 and No. 3 for which the construction period for eligible projects has elapsed. All project expenditures were originally recorded in capital projects funds.

Park Development
To account for grants received and other collections to be used for the development of City parks.

Recycling
To account for the property taxes levied and intergovernmental grants received to finance the City's recycling activities.

Post-Employment Sick Leave Reserve
To account for the accumulation of resources to be used to reimburse City employees for accumulated sick leave at date of retirement.

Library Endowment
To account for funds held by the City library.

Hattie Minor Scholarship
To account for funds held by the City for the purposes of providing scholarships from investment income.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Public Safety Donations
To account for donations received by the City.

Park and Recreation Donations
To account for donations received by the City.

Senior Center Legacy
To account for donations received by the City.

Steam Utility
To account for resources used in the closing of the steam utility plant.

Menasha 2000
To account for donations dedicated to improvements to Menasha's downtown and waterfront, including Curtis Reed Square, the City Hall Mural, and the Trestle Trail.

Farm Fresh Market
To account for revenues collected in conjunction with the weekly farmer's market during the summer.

CAPITAL PROJECTS FUNDS

Capital project 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 City utilizes capital projects funds to record financial transactions pertaining to the following activities:

Capital Facility
To account for the accumulation of resources to be used for building improvement projects of the City.

Capital Improvements
To account for the accumulation of resources to be used for capital improvement projects of the City.

Tax Incremental Districts (TID's)
To account for the activity of TID No. 4, No. 5, No. 6, No. 7, No. 8, No. 9, No. 10, No. 11, No. 12 and No. 13 which are still eligible to incur construction costs.

Roadways at River's Edge
To account for the accumulation of resources to be used for capital improvements on roadways.

CITY OF MENASHA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds							
	Housing Rehab	Community Development Block Grant	Marina Operations	Tax Incremental District No. 1	Tax Incremental District No. 3	Park Development	Recycling	Post Employment Sick Leave Reserve
ASSETS								
Cash and investments	$ 18,614	$ 113,839	$ 61,236	$ 11,002	$ -	$ 198,080	$ 65,609	$ 106,220
Receivables								
Taxes	-	-	-	-	19,191	-	216,405	35,686
Accounts	4,087	31,820	27	-	-	900	492	-
Loans	20,483	1,434,268	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 43,184	$ 1,579,927	$ 61,263	$ 11,002	$ 19,191	$ 198,980	$ 282,506	$ 141,906
LIABILITIES, DEFERRED INFLOWS OF RESOURCES RESOURCES AND FUND BALANCES (DEFICITS)								
Liabilities								
Accounts payable	$ -	$ 30	$ 5,915	$ 11,002	$ -	$ -	$ 4,633	$ -
Due to other funds	-	-	-	-	612,115	-	-	-
Unearned revenues	-	-	10,043	-	-	-	-	-
Total Liabilities	-	30	15,958	11,002	612,115	-	4,633	-
Deferred Inflows of Resources								
Taxes receivable	-	-	-	-	28,656	-	363,849	60,000
Loans receivable	20,483	1,434,268	-	-	-	-	-	-
Total Deferred Inflows of Resources	20,483	1,434,268	-	-	28,656	-	363,849	60,000
Fund Balances (Deficits)								
Restricted								
Library endowment	-	-	-	-	-	-	-	-
Community development	22,701	145,629	-	-	-	-	-	-
TID project plan	-	-	-	-	-	-	-	-
Park development	-	-	-	-	-	198,980	-	-
Hattie Minor Scholarship	-	-	-	-	-	-	-	-
Public safety donations	-	-	-	-	-	-	-	-
Heckrodt nature center	-	-	-	-	-	-	-	-
Senior center	-	-	-	-	-	-	-	-
Assigned								
Marina	-	-	45,305	-	-	-	-	-
Farm Fresh Market	-	-	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-
Sick leave	-	-	-	-	-	-	-	81,906
Unassigned, reported in								
Special revenue funds	-	-	-	-	(621,580)	-	(85,976)	-
Capital projects funds	-	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	22,701	145,629	45,305	-	(621,580)	198,980	(85,976)	81,906
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	$ 43,184	$ 1,579,927	$ 61,263	$ 11,002	$ 19,191	$ 198,980	$ 282,506	$ 141,906

(Continued)

CITY OF MENASHA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds (Continued)								
	Library Endowment	Hattie Minor Scholarship	Public Safety Donations	Park and Recreation Donations	Senior Center Legacy	Steam Utility	Menasha 2000	Farm Fresh Market	Total Special Revenue Funds
ASSETS									
Cash and investments	$ -	$ 25,649	$ 8,678	$ 21,741	$ -	$ -	$ 1,450	$ 4,946	$ 637,064
Receivables									
Taxes	-	-	-	-	-	-	-	-	271,282
Accounts	-	-	250	2,173	-	-	-	-	39,749
Loans	-	-	-	-	-	-	-	-	1,454,751
Due from other funds	-	-	-	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Restricted cash and investments	304,386	-	-	-	-	-	3,726	-	308,112
TOTAL ASSETS	$ 304,386	$ 25,649	$ 8,928	$ 23,914	$ -	$ -	$ 5,176	$ 4,946	$ 2,710,958
LIABILITIES, DEFERRED INFLOWS OF RESOURCES RESOURCES AND FUND BALANCES (DEFICITS)									
Liabilities									
Accounts payable	$ -	$ -	$ 272	$ -	$ -	$ -	$ -	$ -	$ 21,852
Due to other funds	-	-	-	-	13,065	-	-	-	625,180
Unearned revenues	-	-	-	-	-	-	-	-	10,043
Total Liabilities	-	-	272	-	13,065	-	-	-	657,075
Deferred Inflows of Resources									
Taxes receivable	-	-	-	-	-	-	-	-	452,505
Loans receivable	-	-	-	-	-	-	-	-	1,454,751
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	1,907,256
Fund Balances (Deficits)									
Restricted									
Library endowment	304,386	-	-	-	-	-	-	-	304,386
Community development	-	-	-	-	-	-	-	-	168,330
TID project plan	-	-	-	-	-	-	-	-	-
Park development	-	-	-	-	-	-	-	-	198,980
Hattie Minor Scholarship	-	25,649	-	-	-	-	-	-	25,649
Public safety donations	-	-	8,656	-	-	-	-	-	8,656
Heckrodt nature center	-	-	-	23,914	-	-	-	-	23,914
Senior center	-	-	-	-	-	-	5,176	-	5,176
Assigned									
Marina	-	-	-	-	-	-	-	-	45,305
Farm Fresh Market	-	-	-	-	-	-	-	4,946	4,946
Capital improvements	-	-	-	-	-	-	-	-	-
Sick leave	-	-	-	-	-	-	-	-	81,906
Unassigned, reported in									
Special revenue funds	-	-	-	-	(13,065)	-	-	-	(720,621)
Capital projects funds	-	-	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	304,386	25,649	8,656	23,914	(13,065)	-	5,176	4,946	146,627
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	$ 304,386	$ 25,649	$ 8,928	$ 23,914	$ -	$ -	$ 5,176	$ 4,946	$ 2,710,958

(Continued)

CITY OF MENASHA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Capital Projects Funds							
	2008 Capital Projects	Capital Facility	Capital Improvements	Tax Incremental District No. 4	Tax Incremental District No. 5	Tax Incremental District No. 6	Tax Incremental District No. 7	Tax Incremental District No.8
ASSETS								
Cash and investments	$ -	$ -	$ 243,755	$ -	$ 109,068	$ 127,510	$ -	$ -
Receivables								
Taxes	-	-	-	38,903	221,037	258,521	68,718	24,566
Accounts	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	920,931	112,014	-	-
Advance to other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	38,444	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ -	$ -	$ 282,199	$ 38,903	$ 1,251,036	$ 498,045	$ 68,718	$ 24,566
LIABILITIES, DEFERRED INFLOWS OF RESOURCES RESOURCES AND FUND BALANCES (DEFICITS)								
Liabilities								
Accounts payable	$ -	$ -	$ 49,876	$ -	$ 46	$ -	$ -	$ -
Due to other funds	-	1,919	-	453,715	-	-	518,564	321,815
Unearned revenues	-	-	-	-	-	-	-	-
Total Liabilities	-	1,919	49,876	453,715	46	-	518,564	321,815
Deferred Inflows of Resources								
Taxes receivable	-	-	-	58,090	330,059	386,031	102,612	36,683
Loans receivable	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	58,090	330,059	386,031	102,612	36,683
Fund Balances (Deficits)								
Restricted								
Library endowment	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
TID project plan	-	-	-	-	920,931	112,014	-	-
Park development	-	-	-	-	-	-	-	-
Hattie Minor Scholarship	-	-	-	-	-	-	-	-
Public safety donations	-	-	-	-	-	-	-	-
Heckrodt nature center	-	-	-	-	-	-	-	-
Senior center	-	-	-	-	-	-	-	-
Assigned								
Marina	-	-	-	-	-	-	-	-
Farm Fresh Market	-	-	-	-	-	-	-	-
Capital improvements	-	-	232,323	-	-	-	-	-
Sick leave	-	-	-	-	-	-	-	-
Unassigned, reported in								
Special revenue funds	-	-	-	-	-	-	-	-
Capital projects funds	-	(1,919)	-	(472,902)	-	-	(552,458)	(333,932)
Total Fund Balances (Deficits)	-	(1,919)	232,323	(472,902)	920,931	112,014	(552,458)	(333,932)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	$ -	$ -	$ 282,199	$ 38,903	$ 1,251,036	$ 498,045	$ 68,718	$ 24,566

(Continued)

CITY OF MENASHA, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Capital Projects Funds (Continued)							
	Tax Incremental District No. 9	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Tax Incremental District No. 13	Roadways at River's Edge	Total Capital Project Funds	Total Governmental Funds
ASSETS								
Cash and investments	$ 443,703	$ 22,531	$ -	$ -	$ -	$ 3,183	$ 949,750	$ 1,586,814
Receivables								
Taxes	165,497	45,681	55,004	95,712	-	-	973,639	1,244,921
Accounts	-	-	390,594	-	-	-	390,594	430,343
Loans	-	-	-	-	-	-	-	1,454,751
Due from other funds	843,341	170,835	-	-	-	-	2,047,121	2,047,121
Advance to other funds	-	-	-	84,234	-	-	84,234	84,234
Due from other governments	-	-	-	-	-	-	38,444	38,444
Restricted cash and investments	-	-	-	-	-	-	-	308,112
TOTAL ASSETS	$ 1,452,541	$ 239,047	$ 445,598	$ 179,946	$ -	$ 3,183	$ 4,483,782	$ 7,194,740
LIABILITIES, DEFERRED INFLOWS OF RESOURCES RESOURCES AND FUND BALANCES (DEFICITS)								
Liabilities								
Accounts payable	$ 6,430	$ -	$ 78,700	$ -	$ 11,175	$ -	$ 146,227	$ 168,079
Due to other funds	-	-	493,318	1,094,746	55,497	-	2,939,574	3,564,754
Unearned revenues	-	-	-	-	-	-	-	10,043
Total Liabilities	6,430	-	572,018	1,094,746	66,672	-	3,085,801	3,742,876
Deferred Inflows of Resources								
Taxes receivable	602,770	68,212	82,133	348,599	-	-	2,015,189	2,467,694
Loans receivable	-	-	-	-	-	-	-	1,454,751
Total Deferred Inflows of Resources	602,770	68,212	82,133	348,599	-	-	2,015,189	3,922,445
Fund Balances (Deficits)								
Restricted								
Library endowment	-	-	-	-	-	-	-	304,386
Community development	-	-	-	-	-	-	-	168,330
TID project plan	843,341	170,835	-	-	-	-	2,047,121	2,047,121
Park development	-	-	-	-	-	-	-	198,980
Hattie Minor Scholarship	-	-	-	-	-	-	-	25,649
Public safety donations	-	-	-	-	-	-	-	8,656
Heckrodt nature center	-	-	-	-	-	-	-	23,914
Senior center	-	-	-	-	-	-	-	5,176
Assigned								
Marina	-	-	-	-	-	-	-	45,305
Farm Fresh Market	-	-	-	-	-	-	-	4,946
Capital improvements	-	-	-	-	-	3,183	235,506	235,506
Sick leave	-	-	-	-	-	-	-	81,906
Unassigned, reported in								
Special revenue funds	-	-	-	-	-	-	-	(720,621)
Capital projects funds	-	-	(208,553)	(1,263,399)	(66,672)	-	(2,899,835)	(2,899,835)
Total Fund Balances (Deficits)	843,341	170,835	(208,553)	(1,263,399)	(66,672)	3,183	(617,208)	(470,581)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	$ 1,452,541	$ 239,047	$ 445,598	$ 179,946	$ -	$ 3,183	$ 4,483,782	$ 7,194,740

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

	Special Revenue Funds							
	Housing Rehab	Community Development Block Grant	Marina Operations	Tax Incremental District No. 1	Tax Incremental District No. 3	Park Development	Recycling	Post Employment Sick Leave Reserve
Revenues								
Taxes	$ -	$ -	$ -	$ 98,826	$ 17,092	$ -	$ 300,038	$ 60,000
Intergovernmental	-	-	-	1,038	4,026	30,049	70,357	-
Licenses and permits	-	-	-	-	-	28,600	-	-
Public charges for services	-	-	185,926	-	-	-	5,039	-
Intergovernmental charges for services	-	-	-	-	-	-	14,427	-
Miscellaneous	10,343	89,217	-	-	-	29,975	13,004	21,906
Total Revenues	10,343	89,217	185,926	99,864	21,118	88,624	402,865	81,906
Expenditures								
Current								
General government	-	-	-	3,000	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	361,622	-
Health and human services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	173,332	-	-	57,852	-	-
Conservation and development	-	30,156	-	8,002	149	-	-	-
Other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	30,156	173,332	11,002	149	57,852	361,622	-
Excess of Revenues Over (Under) Expenditures	10,343	59,061	12,594	88,862	20,969	30,772	41,243	81,906
Other Financing Sources (Uses)								
Long-term debt issued	-	-	-	-	-	-	-	-
Transfers in	4,660	-	-	-	-	-	-	-
Transfers out	-	-	(5,000)	(88,857)	(169,060)	(25,000)	-	-
Total Other Financing Sources (Uses)	4,660	-	(5,000)	(88,857)	(169,060)	(25,000)	-	-
Net Change in Fund Balances	15,003	59,061	7,594	5	(148,091)	5,772	41,243	81,906
Fund Balances (Deficits) - January 1	7,698	86,568	37,711	(5)	(473,489)	193,208	(127,219)	-
Fund Balances (Deficits) - December 31	$ 22,701	$ 145,629	$ 45,305	$ -	$ (621,580)	$ 198,980	$ (85,976)	$ 81,906

(Continued)

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

	Special Revenue Funds (Continued)								
	Library Endowment	Hattie Minor Scholarship	Public Safety Donations	Park and Recreation Donations	Senior Center Legacy	Steam Utility	Menasha 2000	Farm Fresh Market	Total Special Revenue Funds
Revenues									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 475,956
Intergovernmental	-	-	-	-	-	-	-	-	105,470
Licenses and permits	-	-	-	-	-	-	-	-	28,600
Public charges for services	-	-	-	-	-	-	-	-	190,965
Intergovernmental charges for services	-	-	-	-	-	-	-	-	14,427
Miscellaneous	26,179	75	3,951	38,004	39,413	-	3,726	4,946	280,739
Total Revenues	26,179	75	3,951	38,004	39,413	-	3,726	4,946	1,096,157
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	3,000
Public safety	-	-	5,291	-	-	-	-	-	5,291
Public works	-	-	-	-	-	-	-	-	361,622
Health and human services	-	-	-	-	-	-	-	-	-
Culture and recreation	32,486	3,750	-	-	-	-	-	-	267,420
Conservation and development	-	-	-	7,186	-	-	-	-	45,493
Other	-	-	-	-	-	1,861	-	-	1,861
Capital outlay	-	-	-	13,965	-	-	-	-	13,965
Total Expenditures	32,486	3,750	5,291	21,151	-	1,861	-	-	698,652
Excess of Revenues Over (Under) Expenditures	(6,307)	(3,675)	(1,340)	16,853	39,413	(1,861)	3,726	4,946	397,505
Other Financing Sources (Uses)									
Long-term debt issued	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	1,861	-	-	6,521
Transfers out	-	-	-	-	(87,090)	-	-	-	(375,007)
Total Other Financing Sources (Uses)	-	-	-	-	(87,090)	1,861	-	-	(368,486)
Net Change in Fund Balances	(6,307)	(3,675)	(1,340)	16,853	(47,677)	-	3,726	4,946	29,019
Fund Balances (Deficits) - January 1	310,693	29,324	9,996	7,061	34,612	-	1,450	-	117,608
Fund Balances (Deficits) - December 31	$ 304,386	$ 25,649	$ 8,656	$ 23,914	$ (13,065)	$ -	$ 5,176	$ 4,946	$ 146,627

(Continued)

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

	Capital Projects Funds						
	2008 Capital Projects	Capital Facility	Capital Improvements	Tax Incremental District No. 4	Tax Incremental District No. 5	Tax Incremental District No. 6	Tax Incremental District No. 7
Revenues							
Taxes	$ -	$ -	$ 1,000	$ 74,927	$ 320,998	$ 444,586	$ 103,780
Intergovernmental	-	-	559,000	1,148	457,071	2,329	-
Licenses and permits	-	-	-	-	-	-	-
Public charges for services	-	-	4,129	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	109	-	-	4,000
Total Revenues	-	-	564,129	76,184	778,069	446,915	107,780
Expenditures							
Current							
General government	-	-	40,608	-	-	-	-
Public safety	-	-	160,439	-	-	-	-
Public works	-	-	958,612	-	-	-	-
Health and human services	-	-	278,805	-	-	-	-
Culture and recreation	-	-	103,923	-	-	-	-
Conservation and development	-	-	-	150	8,534	14,661	150
Other	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	-	-	1,542,387	150	8,534	14,661	150
Excess of Revenues Over (Under) Expenditures	-	-	(978,258)	76,034	769,535	432,254	107,630
Other Financing Sources (Uses)							
Long-term debt issued	-	-	1,849,500	-	-	-	-
Transfers in	-	-	148,602	-	-	-	18,048
Transfers out	(61,512)	-	-	(159,053)	(1,037,242)	(330,730)	(192,364)
Total Other Financing Sources (Uses)	(61,512)	-	1,998,102	(159,053)	(1,037,242)	(330,730)	(174,316)
Net Change in Fund Balances	(61,512)	-	1,019,844	(83,019)	(267,707)	101,524	(66,686)
Fund Balances (Deficits) - January 1	61,512	(1,919)	(787,521)	(389,883)	1,188,638	10,490	(485,772)
Fund Balances (Deficits) - December 31	$ -	$ (1,919)	$ 232,323	$ (472,902)	$ 920,931	$ 112,014	$ (552,458)

(Continued)

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

	Capital Projects Funds (Continued)								
	Tax Incremental District No.8	Tax Incremental District No. 9	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Tax Incremental District No. 13	Roadways at River's Edge	Total Capital Projects Funds	Total Governmental Funds
Revenues									
Taxes	$ 37,065	$ 611,106	$ 48,905	$ 70,239	$ 195,936	$ -	$ -	$ 1,908,542	$ 2,384,498
Intergovernmental	-	1,018	270,557	380,400	375	-	-	1,671,898	1,777,368
Licenses and permits	-	-	-	-	-	-	-	-	28,600
Public charges for services	-	-	-	-	-	-	-	4,129	195,094
Intergovernmental charges for services	-	-	-	-	-	-	-	-	14,427
Miscellaneous	-	-	-	16,810	-	-	-	20,919	301,658
Total Revenues	37,065	612,124	319,462	467,449	196,311	-	-	3,605,488	4,701,645
Expenditures									
Current									
General government	-	-	-	-	-	1,000	-	41,608	44,608
Public safety	-	-	-	-	-	-	-	160,439	165,730
Public works	-	43,489	-	-	28,296	-	-	1,030,397	1,392,019
Health and human services	-	-	-	-	-	-	-	278,805	278,805
Culture and recreation	-	-	-	-	-	-	-	103,923	371,343
Conservation and development	716	72,638	277,425	725,900	396,071	803,263	-	2,299,508	2,345,001
Other	-	-	-	-	-	-	-	-	1,861
Capital outlay	-	-	-	16,230	-	-	-	16,230	30,195
Total Expenditures	716	116,127	277,425	742,130	424,367	804,263	-	3,930,910	4,629,562
Excess of Revenues Over (Under) Expenditures	36,349	495,997	42,037	(274,681)	(228,056)	(804,263)	-	(325,422)	72,083
Other Financing Sources (Uses)									
Long-term debt issued	-	-	-	-	-	-	-	1,849,500	1,849,500
Transfers in	-	-	-	25,000	-	750,000	-	941,650	948,171
Transfers out	(91,029)	(341,503)	(3,694)	(70,205)	(22,089)	(12,409)	-	(2,321,830)	(2,696,837)
Total Other Financing Sources (Uses)	(91,029)	(341,503)	(3,694)	(45,205)	(22,089)	737,591	-	469,320	100,834
Net Change in Fund Balances	(54,680)	154,494	38,343	(319,886)	(250,145)	(66,672)	-	143,898	172,917
Fund Balances (Deficits) - January 1	(279,252)	688,847	132,492	111,333	(1,013,254)	-	3,183	(761,106)	(643,498)
Fund Balances (Deficits) - December 31	$ (333,932)	$ 843,341	$ 170,835	$ (208,553)	$ (1,263,399)	$ (66,672)	$ 3,183	$ (617,208)	$ (470,581)

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City, or to other governmental units, on a cost reimbursement basis. The City utilizes internal service funds to record financial transactions pertaining to the following activities:

City Garage
To account for services provided to other City departments by the Department of Public Works.

Property and Liability Insurance
To account for funds held by the City, generated by charges to other City departments, to finance property and liability claims levied against the City.

Dental Insurance
To account for funds held by the City generated by charges to other City departments, employees, and retirees, to finance dental claims of City employees, retirees, and their dependents.

Information Technology
To account for services provided to other City departments by the information technology department.

CITY OF MENASHA, WISCONSIN
Combining Statement of Net Position
Internal Service Funds
December 31, 2015

	City Garage	Property and Liability Insurance	Dental Insurance	Information Technology	Totals
ASSETS					
Cash and investments	$ -	$ 104,700	$ 64,343	$ 52,937	$ 221,980
Accounts receivable	156	25,605	231	-	25,992
Due from other funds	-	74,666	-	-	74,666
Other assets	-	1,031,220	-	-	1,031,220
Capital assets, nondepreciable					
Land	44,216	-	-	-	44,216
Construction in progress	132,484	-	-	-	132,484
Capital assets, depreciable					
Buildings	1,000,642	-	-	-	1,000,642
Machinery and equipment	7,516,386	-	-	-	7,516,386
Less: Accumulated depreciation	(5,649,666)	-	-	-	(5,649,666)
TOTAL ASSETS	3,044,218	1,236,191	64,574	52,937	4,397,920
LIABILITIES					
Accounts payable	71,539	42,263	3,606	15,879	133,287
Due to other funds	74,666	-	-	-	74,666
TOTAL LIABILITIES	146,205	42,263	3,606	15,879	207,953
NET POSITION					
Net investment in capital assets	3,044,062	-	-	-	3,044,062
Unrestricted	(146,049)	1,193,928	60,968	37,058	1,145,905
TOTAL NET POSITION	$ 2,898,013	$ 1,193,928	$ 60,968	$ 37,058	$ 4,189,967

CITY OF MENASHA, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2015

	City Garage	Property and Liability Insurance	Dental Insurance	Information Technology	Totals
Operating Revenues					
Charges for services	$ 1,355,074	$ 125,675	$ 138,677	$ 319,575	$ 1,939,001
Other	156	-	-	-	156
Total Operating Revenues	1,355,230	125,675	138,677	319,575	1,939,157
Operating Expenses					
Operation and maintenance	1,002,090	-	7,208	318,911	1,328,209
Insurance payments and claims	-	114,550	105,842	-	220,392
Depreciation	386,921	-	-	-	386,921
Total Operating Expenses	1,389,011	114,550	113,050	318,911	1,935,522
Operating Income (Loss)	(33,781)	11,125	25,627	664	3,635
Nonoperating Revenues (Expenses)					
Investment income	935	-	-	-	935
Insurance recoveries	6,798	-	-	-	6,798
Total Nonoperating Revenues (Expenses)	7,733	-	-	-	7,733
Change in Net Position	(26,048)	11,125	25,627	664	11,368
Net Position - January 1	2,924,061	1,182,803	35,341	36,394	4,178,599
Net Position - December 31	$ 2,898,013	$ 1,193,928	$ 60,968	$ 37,058	$ 4,189,967

CITY OF MENASHA, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2015

	City Garage	Property and Liability Insurance	Dental Insurance	Information Technology	Totals
Cash Flows from Operating Activities					
Cash received from customers	$ 13,565	$ -	$ -	$ -	$ 13,565
Cash received from City	1,341,509	125,675	138,448	319,575	1,925,207
Cash paid to suppliers	(517,464)	(150,084)	(115,997)	(260,292)	(1,043,837)
Cash paid to employees	(436,581)	-	-	(70,242)	(506,823)
Net Cash Provided by (Used in) Operating Activities	401,029	(24,409)	22,451	(10,959)	388,112
Cash Flows from Noncapital and Related Financing Activities					
Change in interfund receivable and payables	35,895	(35,895)	-	-	-
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(444,657)	-	-	-	(444,657)
Insurance recoveries	6,798	-	-	-	6,798
Net Cash Used by Capital and Related Financing Activities	(437,859)	-	-	-	(437,859)
Cash Flows from Investing Activities					
Interest and dividends received	935	-	-	-	935
Change in Cash and Cash Equivalents	-	(60,304)	22,451	(10,959)	(48,812)
Cash and Cash Equivalents - January 1	-	165,004	41,892	63,896	270,792
Cash and Cash Equivalents - December 31	$ -	$ 104,700	$ 64,343	$ 52,937	$ 221,980
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	$ (33,781)	$ 11,125	$ 25,627	$ 664	$ 3,635
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	386,921	-	-	-	386,921
Changes in assets and liabilities					
Accounts receivable	(156)	(25,605)	(229)	-	(25,990)
Accounts payable	48,045	(9,929)	(2,947)	(11,623)	23,546
Net Cash Provided (Used) by Operating Activities	$ 401,029	$ (24,409)	$ 22,451	$ (10,959)	$ 388,112

CITY OF MENASHA, WISCONSIN
Schedule of Settlement of DHS Cost Reimbursement Award
Public Health Department
For the Year Ended December 31, 2015

DHS identification number	155015	155015	155020	155050	11111	159220
Grant Award	$ 32,702	$ 32,400	$ 8,747	$ 2,000	$ 10,840	$ 4,907
Award period	8/1/14-6/30/15	7/1/15-6/30/16	1/1/15 - 12/31/15	7/1/14-6/30/15	7/1/14-9/30/16	10/1/13-9/30/15
Period of award within audit period	1/1/15-6/30/15	7/1/15-12/31/15	1/1/15 - 12/31/15	1/1/15- 6/30/15	1/1/15-12/31/15	1/1/15-9/30/15
Expenditures reported to DHS for payment	$ 15,729	$ 8,870	$ 8,211	$ 2,000	$ 7,790	$ 4,209
Actual allowable costs of award						
Program expenses						
Other salaries and wages	$ 8,079	$ 3,466	$ 5,641	$ 1,116	$ 5,441	$ 2,017
Pension plan contributions	661	366	387	-	-	145
Other employee benefits	3,519	2,538	1,981	884	2,169	1,375
Other costs	3,470	2,500	202	-	180	672
Total program expenses	15,729	8,870	8,211	2,000	7,790	4,209
Management and general expenses allocated to program [1]						
Compensation of current officers, directors, trustees, and key employees	-	-	-	-	-	-
Compensation not included above, to disqualified persons	-	-	-	-	-	-
Other salaries and wages	-	-	-	-	-	-
Other employee benefits	-	-	-	-	-	-
Other costs	-	-	-	-	-	-
Total management and general expense allocated to program	-	-	-	-	-	-
Less program revenue and other offsets to costs	-	-	-	-	-	-
Total allowable costs	$ 15,729	$ 8,870	$ 8,211	$ 2,000	$ 7,790	$ 4,209

[1] Allocated based on actual time spent.

The notes to the schedules are an integral part of this schedule.

CITY OF MENASHA, WISCONSIN
Schedule of Settlement of DHS Cost Reimbursement Award
Public Health Department
For the Year Ended December 31, 2015

	159220	159320	72000	150327	157720
Grant Award	$ 4,868	$ 14,848	$ 8,950	$ 2,500	$ 2,724
Award period	10/1/14 - 8/31/16	1/1/15 - 12/31/15	4/1/14 - 7/31/15	1/1/15 - 12/31/15	1/1/15 - 12/31/15
Period of award within audit period	1/1/15-12/31-15	1/1/15 - 12/31/15	1/1/15-7/31/15	1/1/15 - 12/31/15	1/1/15 - 12/31/15
Expenditures reported to DHS for payment	$ 713	$ 13,384	$ 6,691	$ 2,485	$ 2,724
Actual allowable costs of award					
Program expenses					
Other salaries and wages	$ -	$ 9,326	$ 5,008	$ 1,351	$ 2,296
Pension plan contributions	-	639	74	93	156
Other employee benefits	-	3,247	828	367	272
Other costs	713	172	781	674	-
Total program expenses	713	13,384	6,691	2,485	2,724
Management and general expenses allocated to program [1]					
Compensation of current officers, directors, trustees, and key employees	-	-	-	-	-
Compensation not included above, to disqualified persons	-	-	-	-	-
Other salaries and wages	-	-	-	-	-
Other employee benefits	-	-	-	-	-
Other costs	-	-	-	-	-
Total management and general expense allocated to program	-	-	-	-	-
Less program revenue and other offsets to costs	-	-	-	-	-
Total allowable costs	$ 713	$ 13,384	$ 6,691	$ 2,485	$ 2,724

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

Schenck
ADVISORY | TAX | ASSURANCE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor
and Members of the City Council
City of Menasha, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Menasha, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Menasha's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 2 dated July 26, 2016

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Menasha, Wisconsin's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Menasha, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Menasha, Wisconsin's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2014-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Menasha, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

City of Menasha, Wisconsin's Response to Findings

City of Menasha, Wisconsin's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City of Menasha, Wisconsin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of City of Menasha, Wisconsin's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Menasha, Wisconsin's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schenck sc

Certified Public Accountants
Green Bay, Wisconsin
July 26, 2016

CITY OF MENASHA, WISCONSIN
Schedule of Findings and Responses
For the Year Ended December 31, 2015

Section I – Internal Control Over Financial Reporting

Finding No.	Control Deficiencies

2014-001 **Preparation of Annual Financial Report**

Condition: Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.

Criteria: The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Cause: City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect: Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Recommendation: We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.

Management Response: Management believes the cost for additional staff time and training to prepare year end reports outweigh the benefits to be received. We will continue to review and approve the financial reports prior to issuance.

Section II – Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2015.

CITY OF MENASHA, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2015

Status of Prior Year Audit Findings

The findings noted in the 2014 Schedule of Findings and Responses has been reported to the proper state agencies. Management continues to believe the cost to hire additional staff to eliminate the control deficiency identified as 2014-001 outweighs the benefits to be received. Management reviews the financial report prior to issuance. Finding 2014-002 was eliminated as a finding as management provided us with the capital asset schedules.

Corrective Action Plan for Audit Findings

Finding No.	Corrective Action Plan
2014-001	**Preparation of Annual Financial Report** Management believes that the cost of hiring additional staff to prepare year end GASB 34 conversion entries and to prepare financial reports outweighs the benefits to be received. Management has reviewed financial statements and other information prior to issuance of the report.

O-11-16

ORDINANCE AMENDING TITLE 7, CHAPTER 6 OF CODE OF ORDINANCES
(Restaurant and Retail Food Establishments)

Introduced by _____.

The Common Council of the City of Menasha does hereby ordain as follows:

SECTION 1: Amend Title 7, Chapter 6 of the Code of Ordinances of the City of Menasha, Wisconsin as follows:

TITLE 7 – LICENSING AND REGULATION

CHAPTER 6

Retail Food ~~Safety~~ and Recreational Licensing

SEC. 7-6-1 ~~RESTAURANTS, RECREATIONAL AND FOOD ESTABLISHMENT~~ RETAIL FOOD, RECREATIONAL LICENSING AND REGISTRATION

(a) **PERMITS AND LICENSES REQUIRED**. Upon the authority and scope of Chapters 97, 101 and ~~75~~ 254 of the Wisconsin State Statutes, this regulation adopts by reference ~~Chapters DHS 172, 175, 178, 195, 196, 197 and 198, ATCP 75 and Comm 26, Wisconsin Food Code (Wisconsin Administrative Code Annex) and the most current edition of the FDA Food Code and Appendices.~~ Wisconsin Administrative Code Sections ATCP 72 Hotels, Motels and Tourist Rooming Houses, ATCP 73 Bed and Breakfast, ATCP 74 Designation of Agents, ATCP 76 Swimming Pools and Water Attractions, ATCP 78 Recreational Educational Camps, ATCP 79 Campgrounds and ATCP 75 Retail Food and Appendices (Wisconsin Food Code), SPS 326 Regulation of Manufactured Home Communities and the most recent edition of the United States Food and Drug Administration (FDA) Food Code and appendices.

(b) **RETAIL FOOD ESTABLISHMENTS AND RECREATIONAL ESTABLISHMENTS**

(1) No person shall conduct a business of or operate a retail food or recreational establishment without obtaining a license therefor from the Menasha Health Department.

(2) Retail Food Establishment shall mean an operation that stores, prepares, ~~serves~~, vends, sells or otherwise provides food for human consumption based on a fee. Retail Food establishment ~~includes~~ refers to restaurants, mobile restaurants, temporary restaurants, ~~taverns,~~ vending and retail food establishments as defined ~~in s. 254 Stats.~~ by Wisconsin Administrative Code, Section ATCP 75.

(3) Recreational Establishment includes all swimming pools and ~~basins~~ water attractions covered by Wisconsin Administrative Code, ~~DHS 172, Tattoo and body piercing establishments as cited by Wisconsin Administrative Code DHS 173, Hotels and Motels as cited by Wisconsin Administrative Code DHS 195, Bed and Breakfast establishments as cited by Wisconsin Administrative Code~~

~~DHS 197, Recreational and Educational Camps as cited by Wisconsin Administrative Code DHS 175, and Campgrounds as cited under Wisconsin Administrative Code DHS 178.~~ Section ATCP 76, ATCP 72 Hotels, Motels and Tourist Rooming Houses, ATCP 73 Bed and Breakfast, ATCP 78 Recreational Educational Camps, ATCP 79 Campgrounds and ATCP 75 Retail Food and Appendices (Wisconsin Food Code), SPS 326 Regulation of Manufactured Home Communities and the most recent edition of the FDA Food Code and appendices.

(c) **APPLICATION FOR LICENSES**

(1) Applications for ~~a license~~ all licenses shall be made upon such forms supplied and prescribed by the Menasha Health Department.

(2) Prior to approval of an application for a license, the Menasha Health Department shall inspect the retail food establishment or recreational establishment to determine compliance with this regulation.

(3) The fee for licenses required by this regulation shall be payable before the issuance of a license and annually before July 1 ~~of each~~ every year. An additional penalty fee shall be ~~required whenever the annual renewal fee is not paid prior to July 1 of each year.~~ assessed for license renewals received on or after July 1. Applications post marked before July 1 shall be accepted regardless of the date of receipt.

(4) A pre-inspection fee shall be collected at the time of application from an operator of a new retail food ~~public facility~~ or recreational establishment ~~or food establishment~~ or a new operator of an existing ~~public~~ facility ~~or recreational establishment and food establishment~~ at change of operator.

(d) **REGISTRATION AND LICENSE ISSUANCE AND REQUIREMENTS.**

(1) License Issuance

a. No person shall operate a retail food establishment~~, public facility~~ or recreational establishment covered ~~in~~ by this regulation within the City of Menasha who does not have a valid license issued by the Menasha Health Department and/or the Wisconsin Department of Agriculture, Trade and Consumer Protection (WDATCP), unless otherwise exempted ~~in this regulation~~.

b. ~~A license issued by the Wisconsin Department of Health Services, Wisconsin Department of Agriculture, Trade, and Consumer Protection or one of their agents for a Mobile Restaurant or Mobile Retail Food establishment shall be honored and considered in compliance with 7-6-1(d)(1)(a). However, no person shall operate a Mobile Restaurant or Mobile Retail Food establishment within the City of Menasha who is not registered with the Health Department on such form supplied and prescribed by the Health Department~~. City of Menasha Health Department shall only issue a license to mobile or temporary food establishments who operate solely within the City limits of Menasha. All other mobile food establishments and temporary establishments shall be licensed by the WDATCP. If the mobile food establishment service base is within the City limits of Menasha the Menasha Health Department shall license that service base.

c. Only a person who complies with the requirements of this regulation shall be entitled to receive or retain such a license.

d. Licenses are non-transferable unless ~~between members of the immediate family~~ it is the spouse of the current license holder.

e. A valid license shall be posted in plain ~~public~~ view in every retail food establishment or recreational establishment as required by ~~in~~ this ordinance.

f. At least one employee responsible for food safety shall be certified as a food manager through the State of Wisconsin as evidenced by a current license with ID# and expiration date. A Person in Charge (PIC) shall be designated at all times during hours of operation. Provided there is one certified food manager the alternate employees designated as PIC are not required to be certified by the State of Wisconsin.

g. Retail food establishments and Recreational establishments shall only be issued a license if the property taxes for that establishment are current as evidenced by the Calumet or Winnebago County Treasurer.

(2) License Requirements. The City of Menasha Common Council shall establish all fees related to licensing facilities and/or establishments covered by this ordinance.

(3) INSPECTIONS

(a) Inspection Frequency. An inspection of licensed facilities under the scope of this ordinance shall be performed at least once per year. All retail food establishments shall be assigned a risk category and inspected at a frequency as recommended by the FDA Voluntary Retail Program Standards. Inspection frequency of Retail Food establishments shall be based on risk category where complex establishments and establishments with a history of chronic priority violations shall be prioritized for inspections over the 1 annual inspection as required by the WDATCP agent contract.

(b) Report of Inspections. Whenever an inspection of a retail food ~~facility~~ or recreational establishment is ~~made,~~ conducted the findings shall be entered ~~recorded on an inspection report form~~ into the HealthSpace program. ~~The inspection report form shall summarize the requirement of this regulation.~~ The inspection shall include observations and violations to this ordinance. A copy of the completed inspection ~~report form~~ shall be left ~~furnished to the holder of the License, or his/her agent in charge of the facility or establishment,~~ with the PIC and a copy shall be provided to the Licensee at the conclusion of the inspection. An acknowledge email of the report shall be considered acceptable receipt.

(c) Correction of Violations. The completed inspection report ~~form~~ shall specify a reasonable amount ~~period~~ of time for the correction of the violations found during the inspection. ~~Inspector shall make every reasonable attempt to have risk factor violations corrected during the inspection. Correction of the violations shall be accomplished within the period specified.~~ It shall be the expectation that violations will be corrected during the inspection when possible at the discretion of the Sanitarian.

(d) Access. ~~Representatives of the Department~~ Sanitarian ,after providing proper identification, shall be permitted to enter ~~any facility~~ the retail food establishment or recreational establishment at any reasonable time to determine compliance with this regulation.

(e) Hours of Inspection. Inspections shall be made during the regular operating hours of the establishment and primarily during the regular office hours of the Menasha Health Department (8:00 a.m. – 4:00 p.m. Monday – Friday), unless circumstances necessitate conducting an inspection at a time other than normal Health Department business ~~operating~~ hours. ~~In the case of temporary licenses, an inspection will be made coinciding with the hours of operation, i.e. the Sanitarian will be available for an evening or weekend inspection to determine compliance with the regulations.~~ In the event a mobile or temporary permit is issued to an operator conducting business only within the City of Menasha and inspection shall be done in conjunction with the event including weekends or evenings.

(4) LICENSE DENIAL. Licenses issued under this Section may be denied by the Health ~~Officer~~ Department Sanitarian upon annual application for renewal for continued violations of this Code ~~of the applicable provisions of payment of re-inspection fees issued in the prior license year are received.~~ as it relates to payment for re-inspection fees levied in the previous license year or delinquent property taxes for that business address.

(5) REINSTATEMENT OF LICENSE. The licensee of any establishment addressed in this Section whose license has been suspended may, at any time, make application for the reinstatement of the license within three (3) business days of the receipt of a written application accompanied by a written statement signed by the applicant to the effect that all violations have been corrected. ~~The Health Officer , or his/her designee,~~ Sanitarian shall ~~make~~ conduct a re-inspection to determine ~~whether all~~ if violations have been corrected and ~~if the~~ findings ~~of the inspection~~ indicate compliance~~, the license may be reinstated~~. The license may be reinstated pending payment of any re-inspection fees which may have been levied on the establishment.

(6) LICENSE REVOCATION. Licenses issued under this Section may be revoked after an opportunity for hearing by the ~~Health Officer~~ Menasha Board of Health. The ~~Health Officer~~ Board of Health may determine that the license revocation is necessary if a license is suspended twice in any two (2) year period or if the health violations ~~are of a nature as to~~ have ~~caused~~ resulted in serious injury or illness to person(s).

(7) APPEAL. Whenever a license is suspended or revoked, the person to which the license ~~was~~ is issued shall be afforded the opportunity of a hearing before the Common Council within fifteen (15) days of the receipt of a written request for such hearing, unless both parties agree to a later date. Opportunity for a hearing before the Common Council will be provided if the written request is submitted by the person issued the license and received by the Health Department within ten (10) days of the suspension or revocation.

(8) REQUIREMENTS AND FEES. The application for license or the request for renewal of license or registration covered in this Section shall be accompanied with an appropriate fee to be established by the Common Council. A list of fees shall be maintained by the City Clerk and the Health Department.

(a) Any establishment required by this section to pay any fee may, in addition to any other penalties, also be required to pay a fee equal to twice the amount of the normal fee if the failure is due to a late payment, insufficient funds or account closed checks, or for any other reason the City has not received the proper payment.

(b) Any establishment required by this section to pay any fee may, in addition to any other penalties, also be required to pay a fee equal to twice the amount of the normal fee if such establishment opens for business without paying the required fee. The Public Health Director, or designee, may also order such establishment to close until the fee is paid.

SECTION 2: This amending Ordinance shall take effect upon passage and publication as provided by law.

Passed and approved this ____ day of _____, 2016.

_____

Donald Merkes, Mayor

ATTEST:

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Deborah A. Galeazzi, City Clerk