

**TOWN OF NEENAH  
WINNEBAGO COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



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## INDEPENDENT AUDITORS' REPORT

Town Board  
Town of Neenah  
Winnebago County, Wisconsin

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the Town of Neenah, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Neenah's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Neenah, as of December 31, 2023, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with the modified cash basis of accounting described in Note 1.C.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Neenah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

##### ***Basis of Accounting***

We draw attention to Note 1.C of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1.C, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Neenah's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Neenah's ability to continue as a going concern for a reasonable period of time.


We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Neenah’s basic financial statements. The schedule of general fund budgeted and actual revenues collected – modified cash basis and the schedule of general fund budgeted and actual expenditures paid – modified cash basis are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of general fund budgeted and actual revenues collected – modified cash basis and the schedule of general fund budgeted and actual expenditures paid – modified cash basis is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.C.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the Town of Neenah’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 solely 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 effectiveness of the Town of Neenah’s 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 Town of Neenah’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
February 26, 2024

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF NEENAH**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**DECEMBER 31, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 1,629,349	\$ 1,225,282	\$ 2,854,631
Internal Balances	4,253	(4,253)	-
Restricted Assets:			
Cash and Investments	511,096	-	511,096
Total Assets	2,144,698	1,221,029	3,365,727
<b>LIABILITIES</b>			
Property Taxes and Special Charges Collected for Subsequent Year	251,683	131,822	383,505
<b>NET POSITION</b>			
Restricted:			
Park Impact Fees	8,016	-	8,016
Fire Department	13,384	-	13,384
Fire Truck	489,696	-	489,696
Unrestricted	1,381,919	1,089,207	2,471,126
Total Net Position	\$ 1,893,015	\$ 1,089,207	\$ 2,982,222

See accompanying Notes to Basic Financial Statements.



**TOWN OF NEENAH**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ 367,810	\$ 79,631	\$ -
Public Safety	496,774	17,320	29,162
Public Works	875,704	205,794	99,174
Culture and Recreation	122,478	2,395	-
Conservation and Development	177,578	-	-
Principal and Interest on Long-Term Debt	72,789	-	-
Total Governmental Activities	2,113,133	305,140	128,336
<b>BUSINESS-TYPE ACTIVITIES</b>			
Stormwater Utility District	204,499	400,042	-
Total	\$ 2,317,632	\$ 705,182	\$ 128,336

See accompanying Notes to Basic Financial Statements.

**TOWN OF NEENAH**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ (288,179)	\$ -	\$ (288,179)
Public Safety	(450,292)	-	(450,292)
Public Works	(570,736)	-	(570,736)
Culture and Recreation	(120,083)	-	(120,083)
Conservation and Development	(177,578)	-	(177,578)
Principal and Interest on Long-Term Debt	(72,789)	-	(72,789)
Total Governmental Activities	(1,679,657)	-	(1,679,657)
<b>BUSINESS-TYPE ACTIVITIES</b>			
Stormwater Utility District	-	195,543	195,543
Total	(1,679,657)	195,543	(1,484,114)
<b>GENERAL REVENUES</b>			
Taxes:			
Property Taxes	464,223	-	464,223
Other Taxes	3,724	-	3,724
Federal and State Grants and Other Contributions Not Restricted to Specific Functions	480,930	-	480,930
Interest and Investment Earnings	61,093	40,974	102,067
Miscellaneous	52,179	-	52,179
Proceeds from Long-Term Debt	804,696	-	804,696
Total General Revenues	1,866,845	40,974	1,907,819
<b>CHANGE IN NET POSITION</b>	187,188	236,517	423,705
Net Position - Beginning of Year	1,705,827	852,690	2,558,517
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,893,015</u>	<u>\$ 1,089,207</u>	<u>\$ 2,982,222</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF NEENAH  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE – GENERAL FUND –  
MODIFIED CASH BASIS  
DECEMBER 31, 2023**

	General
<b>ASSETS</b>	
Cash and Investments	\$ 1,629,349
Restricted Cash and Investments	511,096
Due from Other Funds	4,253
Total Assets	\$ 2,144,698
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Property Taxes and Special Charges Collected for Subsequent Year	\$ 251,683
<b>FUND BALANCE</b>	
Restricted	511,096
Committed	37,257
Assigned	273,191
Unassigned	1,071,471
Total Fund Balance	1,893,015
Total Liabilities and Fund Balance	\$ 2,144,698

*See accompanying Notes to Basic Financial Statements.*

**TOWN OF NEENAH**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**GENERAL FUND – MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	General
<b>REVENUES</b>	
Taxes	\$ 467,939
Intergovernmental	602,502
Licenses and Permits	41,403
Fines and Forfeits	150
Public Charges for Services	207,232
Intergovernmental Charges for Services	53,960
Miscellaneous	122,439
Total Revenues	1,495,625
<b>EXPENDITURES</b>	
Current:	
General Government	367,810
Public Safety	496,774
Public Works	875,704
Culture and Recreation	122,478
Conservation and Development	177,578
Debt Service:	
Principal	68,933
Interest and Fiscal Charges	3,856
Total Expenditures	2,113,133
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(617,508)
<b>OTHER FINANCING SOURCES</b>	
Long-Term Debt Issued	804,696
<b>NET CHANGE IN FUND BALANCE</b>	187,188
Fund Balance - Beginning of Year	1,705,827
<b>FUND BALANCE - END OF YEAR</b>	\$ 1,893,015

See accompanying Notes to Basic Financial Statements.

**TOWN OF NEENAH**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**MODIFIED CASH BASIS – BUDGET AND ACTUAL – GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 464,231	\$ 464,231	\$ 467,939	\$ 3,708
Intergovernmental	438,353	446,483	602,502	156,019
Licenses and Permits	35,480	35,480	41,403	5,923
Fines and Forfeits	-	-	150	150
Public Charges for Services	204,530	204,530	207,232	2,702
Intergovernmental Charges for Services	53,000	53,000	53,960	960
Miscellaneous	38,144	38,144	122,439	84,295
Total Revenues	<u>1,233,738</u>	<u>1,241,868</u>	<u>1,495,625</u>	<u>253,757</u>
<b>EXPENDITURES</b>				
Current:				
General Government	362,019	410,644	367,810	42,834
Public Safety	161,821	178,081	496,774	(318,693)
Public Works	785,857	895,306	875,704	19,602
Health and Human Services	200	200	-	200
Culture and Recreation	121,426	121,426	122,478	(1,052)
Conservation and Development	5,000	5,000	177,578	(172,578)
Debt Service:				
Principal	68,933	68,933	68,933	-
Interest and Fiscal Charges	3,856	3,856	3,856	-
Total Expenditures	<u>1,509,112</u>	<u>1,683,446</u>	<u>2,113,133</u>	<u>(429,687)</u>
<b>EXPENDITURES</b>	(275,374)	(441,578)	(617,508)	(175,930)
<b>OTHER FINANCING SOURCES</b>				
Long-Term Debt Issued	<u>-</u>	<u>-</u>	<u>804,696</u>	<u>804,696</u>
<b>NET CHANGE IN FUND BALANCE</b>	(275,374)	(441,578)	187,188	628,766
Fund Balance - Beginning of Year	<u>1,705,827</u>	<u>1,705,827</u>	<u>1,705,827</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,430,453</u>	<u>\$ 1,264,249</u>	<u>\$ 1,893,015</u>	<u>\$ 628,766</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF NEENAH  
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION – MODIFIED CASH BASIS –  
PROPRIETARY FUND  
DECEMBER 31, 2023**

	Stormwater Utility District
<b>ASSETS</b>	
Cash and Investments	\$ 1,225,282
<b>LIABILITIES</b>	
Due to Other Funds	4,253
Stormwater Special Charges Collected for Subsequent Year	131,822
Total Liabilities	136,075
<b>NET POSITION</b>	
Unrestricted	1,089,207
Total Net Position	\$ 1,089,207

*See accompanying Notes to Basic Financial Statements.*

**TOWN OF NEENAH**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –**  
**MODIFIED CASH BASIS – PROPRIETARY FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	Utility District
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 400,042
<b>OPERATING EXPENSES</b>	
Operation and Maintenance	27,947
Administration and General	22,214
Total Operating Expenses	50,161
<b>OPERATING INCOME</b>	349,881
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	40,974
Capital Outlay	(154,338)
Total Nonoperating Revenues (Expenses)	(113,364)
<b>CHANGE IN NET POSITION</b>	236,517
Net Position - Beginning of Year	852,690
<b>NET POSITION - END OF YEAR</b>	\$ 1,089,207

See accompanying Notes to Basic Financial Statements.

**TOWN OF NEENAH  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2023**

	Stormwater Utility District
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 400,042
Cash Paid for Services Provided	(57,328)
Cash Paid for Employee Wages and Benefits	(1,565)
Net Cash Provided by Operating Activities	341,149
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	(154,338)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	40,974
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	227,785
Cash and Cash Equivalents - Beginning of Year	997,497
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,225,282

*See accompanying Notes to Basic Financial Statements.*



**TOWN OF NEENAH  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Stormwater Utility District
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 349,881
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Operating Assets and Liabilities:	
Due to Other Funds	4,100
Specials Collected for Subsequent Year	(12,832)
Net Cash Provided by Operating Activities	\$ 341,149

*See accompanying Notes to Basic Financial Statements.*

**TOWN OF NEENAH  
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND  
DECEMBER 31, 2023**

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and Investments	<u>\$ 2,723,959</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	<u>2,723,959</u>
<b>NET POSITION</b>	
Total Net Position	<u><u>\$ -</u></u>

*See accompanying Notes to Basic Financial Statements.*

**TOWN OF NEENAH**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Taxes and Special Charges Collected	\$ 7,482,137
<b>DEDUCTIONS</b>	
Payments to Other Taxing Districts:	7,482,137
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	-
<b>NET POSITION - END OF YEAR</b>	\$ -

*See accompanying Notes to Basic Financial Statements.*

**TOWN OF NEENAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Town of Neenah, Winnebago County, Wisconsin (the Town), have been prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

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 Town are described below:

**A. Reporting Entity**

The Town is a municipal corporation governed by an elected five-member board. The basic financial statements are required to include the Town and any separate component units that have a significant operational or financial relationship with the Town. The Town has identified the following component unit that is required to be included in the basic financial statements in accordance with standards.

Blended Component Unit

The following component unit is blended or included in the financial statements of the Town:

The Town of Neenah Stormwater Utility District (District) is governed by the five-member Town Board of Neenah. Although it is legally separate from the Town, the District is reported as if it were part of the primary government because the Town Board is serving as the government body of the component unit. The District provides stormwater services to the entire Town.

**B. 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 Town. 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 services.

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*.

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include the general fund. Proprietary funds include enterprise funds. The major individual governmental fund and the major individual enterprise fund are reported as separate columns in the fund financial statements.

The Town reports the following major governmental fund:

General Fund

This is the Town's primary operating fund. It accounts for all financial resources of the general government.

The Town reports the following major enterprise fund:

Stormwater Utility District Fund

This fund accounts for the operations of the Town's stormwater utility district.

The Town also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes and special charges collected on behalf of other governments.

**C. Measurement Focus and Basis of Accounting**

The government-wide, fiduciary fund and governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified cash basis of accounting*, as are the proprietary fund financial statements. The modified cash basis recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions.

Under the modified cash basis of accounting, the Town recognizes revenues when received. As a result, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) *are not recorded* in the Town's basic financial statements. Property taxes are recognized as revenues in the year for which they are levied. Debt proceeds are recognized as other financing sources and general revenue when received. Additionally, capital assets such as property, equipment, and infrastructure are not capitalized or reported in the government-wide financial statements.

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Under the modified cash basis of accounting, the Town generally records expenditures when paid, except for certain payroll withholdings. As a result, certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in the Town's basic financial statements. Additionally, long-term liabilities such as debt payable and compensated absences are not reported. Additional information on outstanding long-term debt is shown in Note 3.D.

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 revenue of the Town's proprietary fund is charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses. 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 Town's policy to use restricted resources first, then unrestricted resources, as they are needed.

**D. Assets, Liabilities, and Net Position or Fund Balance**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. Investments are stated at cost in accordance with the modified cash basis of accounting. 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 from date of acquisition are considered to be cash equivalents.

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Fund Balance (Continued)**

**2. Property Taxes and Special Charges**

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Town properties. 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 and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Town. Special charges not paid by January 31 are held in trust by the County and remitted to the Town, including interest, when collected by the County.

In addition to its levy, the Town also levies taxes for the Neenah School District, Winnebago County, and Fox Valley Technical College. Property taxes and special charges collected on behalf of other taxing entities as of December 31, 2023, are reported as liabilities and paid in the subsequent year as part of the January tax settlement.

**3. 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.

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

**4. Long-Term Obligations**

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. Because the Town uses the modified cash basis of accounting, principal payments are reported as expenditures in the statement of activities and no liability is reported on the statement of net position.

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Fund Balance (Continued)**

**5. Pensions**

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**6. Fund Equity**

Governmental Fund Financial Statements

Fund balance of governmental funds is 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 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 Town Board. These constraints can only be removed or changed by the Town Board using the same action that was used to create them.
- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of Town management. The Town Board has not authorized an employee to assign fund balance.
- **Unassigned Fund Balance.** Amounts that are available for any purpose.

The Town 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.



**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. ASSETS, LIABILITIES, AND NET POSITION OR FUND BALANCE (Continued)**

**6. Fund Equity (Continued)**

Government-Wide and Proprietary Fund Statements

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

- **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 is not classified as restricted.

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

The Town follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, the Town Board and officials prepare a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.
2. Budgets are adopted on a modified cash basis of accounting for the general fund. 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.
3. During the year, formal budgetary integration is employed as a management control device for the general fund.
4. Expenditures may not exceed appropriations provided in budget accounts maintained for each functional area of the Town. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Town Board.
5. Encumbrance accounting is not used by the Town to record commitments related to unperformed contracts for goods or services.

The Town did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2023.

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**B. Excess of Expenditures Over Budget Appropriations**

The following expenditure account of the general fund had actual expenditures in excess of budget appropriations for the year ended December 31, 2023 as follows:

Fund	Excess Expenditures
General Fund:	
General Government:	
Clerk/Treasurer	\$ 211
Elections	406
Employee Benefits	519
Other General Government	1,816
Public Safety:	
Fire Protection	8,488
Public Safety Outlay	315,000
Public Works:	
Highway Maintenance	18,716
Razing Expenses	33,548
Culture and Recreation:	
Parks Outlay	1,139
Recreation Facilities	4,607
Conservation and Development:	
Wetland Mitigation	172,578

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**C. Property Tax Levy Limit**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns, and counties. For the 2022 and 2023 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2023 budget was .58%. The actual limit for the Town for the 2024 budget was 0.61%. 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.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

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

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Town's cash and investments totaled \$6,089,686 on December 31, 2023 as summarized below:

Petty Cash and Cash on Hand	\$ 371
Deposits with Financial Institutions	4,768,136
Investments	1,321,179
Total	\$ 6,089,686

Reconciliation to the Basic Financial Statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 2,854,631
Restricted Cash and Investments	511,096
Fiduciary Fund Statement of Net Position:	
Cash and Investments	2,723,959
Total	\$ 6,089,686

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Deposits and investments of the Town are subject to various risks. Presented below is a discussion of the Town's deposits and investments and the related risks.

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 Town does not have an additional custodial credit 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. This coverage has been considered in determining custodial credit risk.

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

As of December 31, 2023, \$4,004,762 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized. \$3,106,619 of the uninsured deposits are the result of advance tax collections that will be remitted to other local governmental units in January of 2024.

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 investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Municipal Bonds	\$ 73,657	\$ -	\$ -	\$ 73,657	\$ -
Federal Home Loan Bank	439,051	-	439,051	-	-
Negotiable Certificates of Deposit	788,454	-	-	-	788,454
Money Market Mutual Funds	20,017	-	-	-	20,017
Totals	<u>\$ 1,321,179</u>	<u>\$ -</u>	<u>\$ 439,051</u>	<u>\$ 73,657</u>	<u>\$ 808,471</u>

Concentration of Credit Risk

At December 31, 2023, the town had two investments in BNY Mellon, which were investments in the Federal Home Loan Bank and State and Municipal Bonds which represent 33% and 6% or more of the town's total investments respectively.

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 town 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 town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Municipal Bonds	\$ 73,657	\$ 73,657	\$ -	\$ -	\$ -
Federal Home Loan Bank	439,051	323,977	115,074	-	-
Negotiable Certificates of Deposit	788,454	587,418	201,036	-	-
Money Market Mutual Funds	20,017	20,017	-	-	-
<b>Totals</b>	<b>\$ 1,321,179</b>	<b>\$ 1,005,069</b>	<b>\$ 316,110</b>	<b>\$ -</b>	<b>\$ -</b>

Investments with Fair values Highly Sensitive to Interest Rate Fluctuations

The Town's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Federal Home Loan Bank	\$ 439,051
Addison Illinois Fire Protection Dist No 1	73,657

**B. Restricted Assets**

Restricted assets on December 31, 2023 totaled \$511,096 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
General Funds:		
Park Impact Fees	\$ 8,016	To account for the collection of park impact fees to be used for park expenditures.
Fire Department	13,384	To account for donations and fundraising proceeds to be used for fire department expenditures.
Fire Truck	489,696	To be used for the acquisition of a new fire truck.
<b>Total</b>	<b>\$ 511,096</b>	

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Interfund Receivable and Payables**

Interfund receivables and payables between individual funds of the Town, as reported in the fund financial statements, as of December 31, 2023 are detailed below:

	Interfund Receivables	Interfund Payables
Amounts Due for Shared Government Services:		
Governmental Fund:		
General	\$ 4,253	\$ -
Proprietary Fund:		
Stormwater Utility District	-	4,253
Totals	\$ 4,253	\$ 4,253

**D. Long-Term Obligations**

General Obligation Debt

The following is a summary of changes in long-term obligations of the Town for the year ended December 31, 2023:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Direct Borrowings:					
General Obligation Debt:					
State Trust Fund Loans	\$ 154,273	\$ 804,696	\$ 68,933	\$ 890,036	\$ 42,140

General obligation direct borrowings outstanding on December 31, 2023 is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
State Trust Fund Loan	8/27/20	3/15/25	2.50%	\$ 208,000	\$ 85,340
State Trust Fund Loan	12/15/23	3/15/33	5.75%	804,696	804,696
Total Outstanding General Obligation Debt					\$ 890,036

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$890,036 on December 31, 2023 are detailed below:

Year Ending December 31,	Governmental Activities		
	Direct Borrowings - General Obligation Notes		
	Principal	Interest	Total
2024	\$ 42,140	\$ 2,139	\$ 44,279
2025	104,018	58,556	162,574
2026	75,852	42,773	118,625
2027	80,213	38,411	118,624
2028	84,733	33,892	118,625
2029 - 2033	503,080	90,044	593,124
Total	<u>\$ 890,036</u>	<u>\$ 265,815</u>	<u>\$ 1,155,851</u>

Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2023 was \$31,719,329 as follows:

Equalized Valuation of the Town	\$ 652,187,300
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	32,609,365
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>890,036</u>
Legal Margin for New Debt	<u><u>\$ 31,719,329</u></u>



**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan**

As disclosed in Note 1.C., the Town financial statements are reported on the modified cash basis of accounting. As a result, the following disclosure related to the Town's participation in the Wisconsin Retirement System is for informational purposes only and the related net pension asset/liability, deferred outflows and deferred inflows are disclosed but not reported on the face of the financial statements.

**1. 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, expected to work at least 1200 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.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/reports-and-studies/financia-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**1. Plan Description (Continued)**

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**2. Postretirement Adjustments**

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**3. 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, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. 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 year ending December 31, 2023, the WRS recognized \$4,548 in contributions from the Town.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives and Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	13.2%
Protective without Social Security	6.8%	18.1%

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Defined Contribution Pension Plan**

The Town contributes to the Service Award Program (SAP), a defined contribution pension plan, for its volunteer firefighters, first responders and emergency medical technicians. SAP is administered by Volunteer Fireman's Insurance Services.

The Town determines annually the amount it will contribute on behalf of each individual in the program. Participants are fully vested to receive a service award once he or she attains 15 years of service for a municipality and paid a service award upon reaching age of 60. A participant who has discontinued providing eligible service after performing a minimum 10 years of service shall be partially vested and may elect to receive a partial service award at any time after reaching age 53. Nonvested accounts are forfeited if the individual ceases to perform creditable service for a period of 12 months or more and distributed equally among all other open accounts sponsored by the participating municipality at the time of the forfeiture.

For the year ended December 31, 2023, the Town contributed \$12,819 to the plan, and the Town recognized pension expense of \$12,819.

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Fund Equity**

Restricted Fund Balance

In the fund financial statements, portions of general fund balance are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2023, restricted fund balance was as follows:

General Fund:	
Restricted for:	
Park Impact Fees	\$ 8,016
Fire Department	13,384
Fire Truck	<u>489,696</u>
Total	<u>\$ 511,096</u>

Committed Fund Balance

In the fund financial statements, portions of general fund balance are committed by Town Board action. At December 31, 2023, General Fund balance was committed as follows:

General Fund:	
Committed for:	
Tuller Road improvements	<u>\$ 37,257</u>

Assigned Fund Balance

In the fund financial statements, portions of general fund balance are assigned by Town Board action. At December 31, 2023, General Fund balance was assigned as follows:

General Fund:	
Assigned for subsequent years budget	<u>\$ 273,191</u>

**TOWN OF NEENAH  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Town completes an annual review of its insurance coverage to ensure adequate coverage. Payment of premiums for these policies are recorded as expenses of the Town. Insurance settlements have not exceeded coverage in any of the past three years.

**B. Contingencies**

From time to time, the Town 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 that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Town's financial position or results of operations.

**C. Commitment**

During the year ended December 31, 2023, the Town entered into a commitment to purchase a fire truck with a total cost of \$804,696. During 2023, a payment of \$315,000 was made towards the purchase price. In accordance with the terms of the purchase agreement, a payment of \$200,000 is due at the end of February 2024, and the remaining balance is due upon delivery.

## **SUPPLEMENTARY INFORMATION**

**TOWN OF NEENAH**  
**SCHEDULE OF BUDGETED AND ACTUAL REVENUES COLLECTED – MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
Property Taxes	\$ 464,223	\$ 464,223	\$ 464,223	\$ -
Forest Crop and Mfl	8	8	422	414
Other Taxes	-	-	3,294	3,294
Total Taxes	<u>464,231</u>	<u>464,231</u>	<u>467,939</u>	<u>3,708</u>
<b>Intergovernmental:</b>				
<b>Federal:</b>				
Fire	-	-	1,252	1,252
<b>State:</b>				
State Shared Taxes	313,019	313,019	317,370	4,351
Fire Insurance Dues	19,000	19,000	22,390	3,390
Tax Exempt Computer Aid	7,716	7,716	7,716	-
Transportation	78,734	78,734	78,734	-
Recycling Grant	9,400	9,400	9,432	32
State Aid Forest Crop/Mfl	-	-	8	8
Other State Payments	10,484	18,614	163,974	145,360
Local Government Aid	-	-	1,626	1,626
Total Intergovernmental	<u>438,353</u>	<u>446,483</u>	<u>602,502</u>	<u>156,019</u>
<b>Licenses and Permits:</b>				
<b>Licenses:</b>				
Operators, Cigarette and Other Licenses	22,180	22,180	23,668	1,488
Dog	1,400	1,400	1,375	(25)
<b>Permits:</b>				
Building	11,500	11,500	15,320	3,820
Zoning	400	400	1,040	640
Total Licenses and Permits	<u>35,480</u>	<u>35,480</u>	<u>41,403</u>	<u>5,923</u>
<b>Fines and Forfeits:</b>				
Court Fines and Penalties	-	-	150	150
<b>Public Charges for Services:</b>				
General Government	1,200	1,200	1,438	238
Fire Department	160	160	-	(160)
Highway	1,620	1,620	3,128	1,508
Garbage Collection	201,550	201,550	202,666	1,116
Total Public Charges for Services	<u>204,530</u>	<u>204,530</u>	<u>207,232</u>	<u>2,702</u>
<b>Intergovernmental Charges for Services:</b>				
General Government	53,000	53,000	53,000	-
Fire	-	-	960	960
Total Intergovernmental Charges for Services	<u>53,000</u>	<u>53,000</u>	<u>53,960</u>	<u>960</u>
<b>Miscellaneous:</b>				
Interest on Investments	11,400	11,400	61,093	49,693
Rent	26,744	26,744	30,072	3,328
Donations	-	-	6,772	6,772
Other	-	-	24,502	24,502
Total Miscellaneous	<u>38,144</u>	<u>38,144</u>	<u>122,439</u>	<u>84,295</u>
Total Revenues Collected	<u>\$ 1,233,738</u>	<u>\$ 1,241,868</u>	<u>\$ 1,495,625</u>	<u>\$ 253,757</u>



**TOWN OF NEENAH**  
**SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES PAID – MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>General Government:</b>				
Board	\$ 67,468	\$ 67,468	\$ 59,824	\$ 7,644
Legal	45,000	45,000	22,569	22,431
Clerk/Treasurer	66,700	66,700	66,911	(211)
Deputy Clerk	28,080	28,080	24,988	3,092
Clerk/Treasurer Supplies and Expenditures	34,593	34,593	34,504	89
Elections	4,500	15,000	15,406	(406)
Assessor	16,800	16,800	16,733	67
Professional Services	10,400	10,400	10,385	15
Town Hall	50,912	89,037	77,172	11,865
Insurance	24,000	24,000	23,417	583
Employee Benefits	13,566	13,566	14,085	(519)
Other General Government	-	-	1,816	(1,816)
Total General Government	<u>362,019</u>	<u>410,644</u>	<u>367,810</u>	<u>42,834</u>
<b>Public Safety:</b>				
Fire Protection	136,321	136,321	144,809	(8,488)
Rescue Squad	10,500	26,760	22,119	4,641
Building Inspection	15,000	15,000	14,846	154
Public Safety Outlay	-	-	315,000	(315,000)
Total Public Safety	<u>161,821</u>	<u>178,081</u>	<u>496,774</u>	<u>(318,693)</u>
<b>Public Works:</b>				
Highway Maintenance	214,500	214,500	233,216	(18,716)
Highway Construction	309,076	418,525	375,306	43,219
Street Lighting	24,000	24,000	21,703	2,297
Refuse and Garbage	181,380	181,380	162,592	18,788
Recycling	56,801	56,801	49,330	7,471
Weed and Nuisance Control	100	100	9	91
Razing Expenses	-	-	33,548	(33,548)
Total Public Works	<u>785,857</u>	<u>895,306</u>	<u>875,704</u>	<u>19,602</u>
<b>Health and Human Services:</b>				
Animal and Insect Control	200	200	-	200
<b>Culture and Recreation:</b>				
Parks	110,776	110,776	106,082	4,694
Parks Outlay	6,000	6,000	7,139	(1,139)
Recreation Facilities	4,650	4,650	9,257	(4,607)
Total Culture and Recreation	<u>121,426</u>	<u>121,426</u>	<u>122,478</u>	<u>(1,052)</u>
<b>Conservation and Development:</b>				
Wetland Mitigation	5,000	5,000	177,578	(172,578)
<b>Debt Service:</b>				
Principal	68,933	68,933	68,933	-
Interest and Fiscal Charges	3,856	3,856	3,856	-
Total Debt Service	<u>72,789</u>	<u>72,789</u>	<u>72,789</u>	<u>-</u>
Total Expenditures Paid	<u>\$ 1,509,112</u>	<u>\$ 1,683,446</u>	<u>\$ 2,113,133</u>	<u>\$ (429,687)</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**



**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***

Town Board  
Town of Neenah  
Winnebago County, 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, each major fund, and the aggregate remaining fund information of Town of Neenah, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Neenah's basic financial statements, and have issued our report thereon dated February 26, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Town of Neenah's internal control over financial reporting (internal control) as a basis for designing 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 Town of Neenah's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Neenah'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 entity'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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

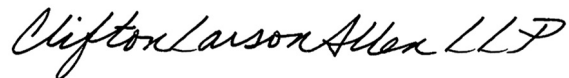
As part of obtaining reasonable assurance about whether Town of Neenah’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

**Town of Neenah’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Neenah’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Town of Neenah’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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 results of that testing, and not to provide an opinion on the effectiveness of the entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
February 26, 2024

**TOWN OF NEENAH  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2023**

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***Section I – Internal Control Over Financial Reporting***

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<b>FINDING NO.</b>	<b>CONTROL DEFICIENCIES</b>
2023-001	<p><b>Segregation of Duties - Clerk/Treasurer</b> Repeat of Finding 2022-001 Material Weakness in Internal Control over Financial Reporting</p>
Condition:	The Town has a combined Clerk/Treasurer position to essentially complete all financial and recordkeeping duties of the general Town's operations. Accordingly, this does not allow for a proper segregation of duties for internal control purposes.
Criteria or Specific Requirement:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.
Cause:	The lack of segregation of duties is due to the limited number of employees and the size of the Town's operations.
Effect:	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.
Recommendation:	We recommend the Town Board continue to approve all bank transfers, review the monthly bank reconciliations and bank statements and monitor the transactions and the financial records of the Town.
Views of Responsible Officials and Planned Corrective Action:	The Town Board will continue to approve all bank transfers, review the monthly bank reconciliations and bank statements and monitor the transactions and the financial records of the Town.

**TOWN OF NEENAH  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section I – Internal Control Over Financial Reporting (Continued)***

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<b>FINDING NO.</b>	<b>CONTROL DEFICIENCIES</b>
2023-002	<p><b>Preparation of Annual Financial Report</b> Repeat of Finding 2022-002 Material Weakness in Internal Control over Financial Reporting</p>
Condition:	<p>Current Town staff maintains accounting records which reflect the Town’s financial transactions; however, preparing the Town’s annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Town contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the Town’s internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the Town had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.</p>
Criteria or Specific Requirement:	<p>The preparation and review of the annual financial report and municipal 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 or other required state financial reports.</p>
Cause:	<p>Town 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.</p>
Effect:	<p>The Town may not be able to completely prepare an annual financial report in accordance with the modified cash basis of accounting.</p>
Recommendation:	<p>We recommend the Town continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the town’s activities and operations. 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 Town is necessary to obtain a complete and adequate understanding of the Town’s annual financial report.</p>
Views of Responsible Officials and Planned Corrective Action:	<p>Management will continue to review and approve the financial statements prior to issuance.</p>



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