

AGENDA

SPECIAL WATER COMMISSION MEETING AND STORM WATER CITIZEN ADVISORY BOARD MEETING

Monday, May 23, 2022

4:30 P.M.

Hauser Room – City Hall

NOTICE IS HEREBY GIVEN, pursuant to the requirements of Wis. Stats. Sec. 19.84, that a majority of the Neenah Common Council may be present at this meeting. Common Council members may be present to gather information about a subject over which they have decision making responsibility. This constitutes a meeting of the Neenah Common Council and must be noticed as such. The Council will not take any formal action at this meeting.

1. Approve Regular Meeting Minutes for April 18, 2022 (Attachment)
2. Approve the Invoices for April 2022 (Attachment)
3. Appearances
4. Old Business/New Business
 - A. Election of Officers
 - B. Annual Utility Audit Report (Attachment)
 - C. Financial Reports (Attachment)
 - D. Director's Report (Attachment)
 - E. Any Other Business That May Legally Come Before the Commission
 - F. Adjournment

*In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Neenah will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. If you need assistance, or reasonable accommodation in participating in this meeting or event due to a disability as defined under the ADA, please call the **Water Utility Administrative Assistant at 920-886-6180** or the **City's ADA Coordinator at (920) 886-6106** or e-mail attorney@ci.Neenah.wi.us at least 48 hours prior to the scheduled meeting or event to request an accommodation.*

**MINUTES OF THE NEENAH WATER WORKS COMMISSION
AND
STORM WATER CITIZEN ADVISORY BOARD MEETING**

Regular Meeting – April 18, 2022
Council Chambers – City Hall

Present: President Kaufert; Commissioners: Schmeichel, Boyette, Bauman, and Lang; and Director Mach

Also Present: Mayor-Elect Lang and Public Works Engineer Kummerow

Excused: None.

President Kaufert called the meeting to order at 4:33 p.m.

Approve Regular Meeting Minutes for March 21, 2022 – Following discussion, **M.S.C. Boyette/Bauman to approve the March 21, 2022 Regular Meeting Minutes.** All voting aye.

Approve the Invoices for March 2022 – Commissioners questioned charges and invoices from Wisconsin Scrub and Sweep Equipment Rentals, L&S Truck Center, Inc., and MCC, Inc. Noting that the company name “Wisconsin Scrub and Sweep Equipment Rentals” includes rentals, the Commissioners asked if this was the business we used to purchase the floor scrubber. Director Mach confirmed this, but did note that the cost to ship the unit with accessories was a bit over budget. Staff are pleased with the performance of the scrubber. The invoice from L&S Truck is for the truck with dump box. The Commission asked if the charges matched the invoice. Director Mach did confirm that the charges matched the invoice. MCC performed the HMA pavement repairs for water main and service leaks throughout the City. This work was completed under Contract 5-21.

Following discussion, **M.S.C. Boyette/Schmeichel to approve the March 2022 invoices.** All voting aye.

Appearances – None.

Old Business/New Business

Storm Water Report – Engineer Kummerow presented information from the 2021 MS4 annual storm water report. The City of Neenah participated in outreach programs with the Northeast Wisconsin Stormwater Consortium (NEWSC) to educate the community about preventing stormwater pollution, participated in *Renew the Slough*, and added stencils on catch basins to discourage pollution. Regarding the Harrison Street Pond, members asked about the retaining wall blocks and the eventual completion of the pond. Engineer Kummerow explained the size makeup of the large blocks. The planned height of the wall is 6’ above the water level. Furthermore, he noted that the pond is scheduled for completion in June or July of 2022. Members asked for details about the possible City acquisition of the north pond on the Bridgewood Resort property. Engineer Kummerow explained that the City would remove the pumps if the acquisition proceeded.

Following discussion, **M.S.C. Boyette/Lang to accept and place on file the Storm Water and MS4 Report.** All voting aye.

**Waterworks Commission and Storm Water Citizen Advisory Board Regular Meeting Minutes
April 18, 2022
Page 2 of 3**

Request to Issue an RFP for a Booster Station – Director Mach presented the Commission with a brief memo and explanation of the need for a booster station to serve areas north and west of Freedom Acres. The development is moving faster than originally planned. Director Mach intends to issue the RFP and receive responses in about three months for a planned build in late 2023. Commissioners asked what the estimated cost to build the station would be and how many acres would be directly benefitted. Director Mach provided a ballpark estimate of approximately \$1M to build the station with four pumps, a hydro-pneumatic tank, and a generator. Director Mach did not get approval to release the development map at the time of this meeting, but will present it at the May, 2022 meeting.

Following discussion, **M.S.C. Boyette/Schmeichel to have Director Mach issue an RFP for the design and construction of a pressure booster station to serve future development corridors north and west of Neenah.** All voting aye.

Discussion and Possible Action Regarding Chemical Price Increases – Director Mach explained the current situation with regards to the Chemical Consortium for chemical bids. One of the suppliers is requesting a change to the pricing agreed to for chemicals purchased in 2022. He explained that we, as members of the Consortium, are holding them to their prices. However, if there are any issues with pricing or supply, the Utility will need to look into other sources for treatment chemicals.

Following discussion, **No action.**

Director's Report –

1. Water Loss Report.
2. Tom Hawk is scheduled to start on 4/25/2022 as our new Distribution Tech I. Commissioners welcomed Mr. Hawk and wished him well.
3. The following change orders and pay estimates were approved at the April 12, 2022 Board of Public Works meeting:
 - Pay Estimate No.1 Contract 1-22, Sewer, Water Main and Storm Water Construction on Apple Blossom Drive, Fredrick Drive, Green Acres Lane, Honeysuckle Lane, Meadow Lane, Primrose Lane, and Wild Rose Lane, to Kruczek Construction, Green Bay, in the amount of \$792,948.08 for Water.
4. Solar installation update – The array generated approximately 883 kWh. Commissioners asked Director Mach for an update to the cost savings. Director Mach noted that the array is still fairly new and reporting is going to be more valuable after the system has been in operation for a few more months.
5. Private lead service line replacement funding update – Neenah received \$1,000,000 for lead service line replacements. The required regulatory steps are in process to begin utilizing this funding.

Waterworks Commission and Storm Water Citizen Advisory Board Regular Meeting Minutes
April 18, 2022
Page 3 of 3

6. The next regular Waterworks Commission meeting is scheduled for May 16, 2022 – Commissioners asked if this meeting can be rescheduled the 9th or 23rd of May. Director Mach will have Administrative Assistant Frazier send out a response request.

Following discussion, **M.S.C. Boyette/Lang to accept the Director's Report and place on file.** All voting aye.

Any Other Business That May Legally Come Before the Commission – None.

Adjournment – **M.S.C. Boyette/Bauman to adjourn at 5:38 p.m.** All voting aye.

Respectfully submitted,



Anthony L. Mach
Director, Neenah Water Utility

WATER UTILITY CASH ACTIVITY
April 2022

Cash Balance April 1, 2022		\$1,780,261
Cash Receipts		
Water Collection Receipts	593,246	
Other Water Receipts	24,236	
Freedom Meadows Water Main	31,604	
		649,086
Cash Distributions		
Check Register	880,249	
Disbursements to the City	130,971	
		1,011,220
Cash Balance April 30, 2022		1,418,127

APRIL DISBURSEMENTS TO THE CITY

Payroll		88,483
Payroll Benefits		37,545
Vehicle Fuel & Fluids		1,585
Vehicle Maintenance		307
Postage		216
IS/GIS Services		2,835
Total April Disbursements to the City		130,971

REPLACEMENT FUND RESERVES AS OF APRIL 2022

Sludge Lagoon		\$2,221,747
Vehicles		230,084
Painting Towers		441,495
Painting Hydrants		56,000
GAC Media Replacement		530,000
Pump Rehab		32,000
Total Replacement Fund Reserves		\$3,511,326

Water Utility Check Register

AP Payment Date	AP Payment Number	AP Vendor Name	AP Invoice Number	AP Transaction Amount	AP Description 01	AP Description 02	Fund Description
04/29/2022	412	U S BANK	04-12-22	85.08	AMZN MKTP US*1N78G8712	FLOOR MATS TRUCK	Water
		U S BANK	04-12-22	235.60	AMZN MKTP US*1N78G8712	LED LIGHTS	Water
		U S BANK	04-12-22	19.98	AMZN MKTP US*1N78G8712	TUBING	Water
		U S BANK	04-12-22	599.44	BACKFLOW SUPPLY	RPZ PARTS	Water
		U S BANK	04-12-22	900.00	CENTRAL TEMPERATURE EQUI	BOILER REPAIR	Water
		U S BANK	04-12-22	53.75	CINTAS CORP	MATS/MOPS DISTRIBUTION	Water
		U S BANK	04-12-22	53.75	CINTAS CORP	MATS/MOPS TREATMENT	Water
		U S BANK	04-12-22	2.00	DSPS E SERVICE FEE COM	PROCESS FEE RPZ RENEWAL	Water
		U S BANK	04-12-22	100.00	DSPS EPAY ISE	RPZ RENEWALS	Water
		U S BANK	04-12-22	21.89	GUENTHER SUPPLY, INC.	PIPE FITTINGS	Water
		U S BANK	04-12-22	2,071.74	HALE INDUSTRIES INC	TUBE HEATER ASSEMBLY	Water
		U S BANK	04-12-22	32,253.00	HAWKINS INC	LIME PUMP REPLACEMENTS	Water
		U S BANK	04-12-22	57.26	NCL OF WISCONSIN INC	LAB REAGENTS	Water
		U S BANK	04-12-22	188.00	NORTHERN LAKE SERVICE-IN	LAB TESTS	Water
		U S BANK	04-12-22	5.50	OPC MSC*SERVICE FEE 024	PROCESS FEE TRAINING SEMI	Water
		U S BANK	04-12-22	100.00	OPC*WISCONSIN RURAL WTR	TRAINING SEMINAR	Water
		U S BANK	04-12-22	11.96	TACO BELL #36274	TRAINING MEAL	Water
		U S BANK	04-12-22	258.00	THE HOME DEPOT #4903	TOOL BATTERIES	Water
		U S BANK	04-12-22	11.22	THE UPS STORE 2376	LAB TEST SHIPPING	Water
		U S BANK	04-12-22	12.63	THE UPS STORE 2376	TEST SHIPPING	Water
U S BANK	04-12-22	103.68	THE UPS STORE 2376	UPS SHIPPING	Water		
U S BANK	04-12-22	99.14	USA BLUE BOOK	LAB REAGENTS	Water		

Water Utility Check Register

AP Payment Date	AP Payment Number	AP Vendor Name	AP Invoice Number	AP Transaction Amount	AP Description 01	AP Description 02	Fund Description
04/29/2022	412	U S BANK	04-12-22	116.25	WAL-MART #2986	ACID/VINEGAR/OFFICE SUPPL	Water
		U S BANK	04-12-22	32.22	WATTS REGULATOR CO INC	TURBIDITY METER O RINGS	Water
		U S BANK	04-12-22	26.00	WI STATE HYGIENE LAB	LAB TEST	Water
04/29/2022	413	U S BANK	04-25-22	67.00	AW EMPL SOLUTN PORTAL E	DRUG & ALCOHOL TESTING/40	Water
		U S BANK	04-25-22	1,569.50	ENGINEERING CONSULTING S	BACKFILL DENSITY TESTING	Water
		U S BANK	04-25-22	125.96	TDS METROCOM	MAR TDS PHONE	Water
		U S BANK	04-25-22	314.81	U.S. CELLULAR	AIRTIME 02/22-03/21	Water
04/29/2022	414	U S BANK	04-25-22	107.50	CINTAS CORP	MOPS, RUGS	Water
		U S BANK	04-25-22	4.00	DSPTS E SERVICE FEE COM	RPZ TEST PROCESS FEES	Water
		U S BANK	04-25-22	200.00	DSPTS EPAY ISE	RPZ TEST FEES	Water
		U S BANK	04-25-22	850.00	FERGUSON WTRWRKS #1476	SERVICE LOCATOR	Water
		U S BANK	04-25-22	295.00	FIRELINE SPRINKLER LLC	FIRE SPRINKLER INSPECTION	Water
		U S BANK	04-25-22	19.49	GRAINGER	PRESSURE SWITCH	Water
		U S BANK	04-25-22	206.00	HANNA INSTRUMENTS US	LAB EQUIPMENT	Water
		U S BANK	04-25-22	10.00	HAWKINS INC	ENVIORNMENTAL FEE	Water
		U S BANK	04-25-22	2,160.18	HAWKINS INC	LPC-4	Water
		U S BANK	04-25-22	3.97	HOMEDEPOT.COM	SOCKET	Water
		U S BANK	04-25-22	38.00	HOMEDEPOT.COM	SOCKETS	Water
		U S BANK	04-25-22	26.25	NORTHERN LAKE SERVICE-IN	LAB TEST	Water
		U S BANK	04-25-22	514.04	SP BACKFLOW SUPPLY	RPZ PARTS	Water
		U S BANK	04-25-22	3.87	THE HOME DEPOT #4903	SOCKET	Water
U S BANK	04-25-22	26.47	THE UPS STORE 2376	SHIPPING	Water		

Water Utility Check Register

AP Payment Date	AP Payment Number	AP Vendor Name	AP Invoice Number	AP Transaction Amount	AP Description 01	AP Description 02	Fund Description
04/29/2022	414	U S BANK	04-25-22	473.05	USA BLUE BOOK	LAB REAGENTS/SUPPLIES	Water
		U S BANK	04-25-22	34.97	WAL-MART #2986	PRINTER INK	Water
		U S BANK	04-25-22	59.50	4TE*CULLIGAN WATER CONDIT	LAB WATER	Water
04/07/2022	54267	GRAEF	119957	138.11	GIS MAINT THRU 2/28		Water
04/07/2022	54268	GRAYMONT WESTERN LIME INC	182970RI	3,204.56	HYDRATED LIME		Water
04/07/2022	54278	NORTHEAST ASPHALT INC	1789602	1,064.39	COLD PATCH		Water
04/14/2022	54301	GRAYMONT WESTERN LIME INC	183310RI	4,037.68	HYDRATED LIME		Water
04/14/2022	54308	KRUCZEK CONSTRUCTION INC	CN1-22 PAY #1	153,224.08	WATER MAIN FREDRICK DR		Water
		KRUCZEK CONSTRUCTION INC	CN1-22 PAY #1	218,241.13	WATER MAIN PRIMROSE LN		Water
		KRUCZEK CONSTRUCTION INC	CN1-22 PAY #1	188,192.63	WATER MAIN WILD ROSE LN		Water
		KRUCZEK CONSTRUCTION INC	CN1-22 PAY #1	230,443.07	WTR MAIN APPLE BLOSSOM DR		Water
		KRUCZEK CONSTRUCTION INC	CN1-22 PAY #1	2,847.15	WTR MAIN GREEN ACRES LN		Water
04/14/2022	54339	WE ENERGIES	70068362000001	2,160.55	FEB-MAR DISTRIB-ELEC/ HEAT		Water
		WE ENERGIES	70068362000001	366.52	FEB-MAR MTR SVC-ELEC/ HEAT		Water
		WE ENERGIES	70068362000001	11,262.38	FEB-MAR PUMPING-ELECTRIC		Water
		WE ENERGIES	70068362000001	1,981.02	FEB-MAR PUMPING-HEAT		Water
		WE ENERGIES	70068362000001	4,331.69	FEB-MAR WTR TREAT-ELECTRC		Water
		WE ENERGIES	70068362000001	5,168.62	FEB-MAR WTR TREAT-HEAT		Water
		WE ENERGIES	70068362000001	747.74	FEB-MAR WTR TWR-ELECTRIC		Water
04/21/2022	54349	ETNA SUPPLY	S104436347001	35.00	WHEEL KIT/TOOL BOX		Water
04/21/2022	54351	GRAYMONT WESTERN LIME INC	183659RI	3,978.64	HYDRATED LIME		Water

Water Utility Check Register

AP Payment Date	AP Payment Number	AP Vendor Name	AP Invoice Number	AP Transaction Amount	AP Description 01	AP Description 02	Fund Description
04/21/2022	54355	KRUEGER TRUE VALUE	138973	15.07	SHOP SUPPLIES		Water
		KRUEGER TRUE VALUE	139045	4.04	LYSOL CLEANER		Water
		KRUEGER TRUE VALUE	139109	41.16	SHOP SUPPLIES		Water
		KRUEGER TRUE VALUE	139516	50.32	TOOLS		Water
04/28/2022	54394	DIVERSIFIED BENEFIT SERVICES INC	350998	79.20	APR SERVICES-HRA		Water
04/28/2022	54401	GRAYMONT WESTERN LIME INC	184000RI	3,106.16	HYDRATED LIME		Water
04/28/2022	54427	SCOTT LAMERS CONSTRUCTION LLC	5111	1,000.00	629 OAK SERVICE REPLACMNT		Water
		Overall - Total		880,248.56			

Neenah Water Utility

An Enterprise Fund of the City of Neenah, Wisconsin

Financial Statements and
Supplementary Information

December 31, 2021 and 2020

Neenah Water Utility

An Enterprise Fund of the City of Neenah, Wisconsin

Table of Contents

December 31, 2021 and 2020

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Net Position	4
Statements of Revenues, Expenses and Changes in Net Position	6
Statements of Cash Flows	7
Notes to Financial Statements	9
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	31
Schedule of Employer Contributions - Wisconsin Retirement System	31
Notes to Required Supplemental Information	32
Supplementary Information	
Utility Plant	33
Operating Revenues and Expenses	34
Rate of Return - Regulatory Basis	36

Independent Auditors' Report

To the Utility Commission of
Neenah Water Utility

Opinion

We have audited the financial statements of the Neenah Water Utility enterprise fund (Utility), of the City of Neenah, Wisconsin, as of and for the years ended December 31, 2021 and 2020 and the related notes to the 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 financial position for the Utility, of the City of Neenah, Wisconsin, as of December 31, 2021 and 2020 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Utility 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Utility of the City of Neenah, Wisconsin, are intended to present the financial position, the changes in the financial position and where applicable, cash flows of only the Utility. They do not purport to and do not, present fairly the financial position of the City of Neenah, Wisconsin, as of December 31, 2021, and 2020, and the changes in financial position, or cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and 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 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, 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 Utility'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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements and other knowledge we obtained during our audit of the 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.

Management has omitted Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
May 9, 2022

Neenah Water Utility

Statements of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and investments	\$ 4,372,787	\$ 4,462,059
Other special accounts	3,371,326	2,989,326
Restricted assets:		
Redemption account	1,087,376	1,121,256
Customer accounts receivable	766,958	817,940
Unbilled revenues	868,390	867,510
Other accounts receivable	14,127	11,213
Due from other funds	96	-
Materials and supplies	118,852	95,847
Prepayments	4,999	7,594
Interest receivable	<u>6,060</u>	<u>16</u>
Total current assets	<u>10,610,971</u>	<u>10,372,761</u>
Noncurrent Assets		
Restricted assets:		
Reserve account	319,000	319,000
Depreciation account	250,000	250,000
Net pension asset	424,231	226,291
Capital assets:		
Plant in service	68,599,128	66,674,749
Accumulated depreciation	(24,660,626)	(23,492,485)
Construction work in progress	<u>-</u>	<u>17,244</u>
Total noncurrent assets	<u>44,931,733</u>	<u>43,994,799</u>
Total assets	<u>55,542,704</u>	<u>54,367,560</u>
Deferred Outflows of Resources		
Unamortized loss on advance refunding	-	3,041
Deferred outflows related to pension	<u>734,333</u>	<u>537,272</u>
Total deferred outflows of resources	<u>734,333</u>	<u>540,313</u>

See notes to the financial statements

Neenah Water Utility

Statements of Net Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 483,590	\$ 302,119
Due to municipality	1,012,465	1,029,202
Accrued vacation	30,822	27,565
Other current liabilities	61,269	56,641
Current liabilities payable from restricted assets:		
Current portion of revenue bonds	1,675,901	2,249,260
Accrued interest	<u>22,609</u>	<u>30,083</u>
Total current liabilities	<u>3,286,656</u>	<u>3,694,870</u>
Noncurrent Liabilities		
Revenue bonds	4,278,346	5,954,247
Unamortized debt premium	9,873	25,681
Accrued sick leave	96,167	85,373
Unearned revenues	<u>40,550</u>	<u>7,864</u>
Total noncurrent liabilities	<u>4,424,936</u>	<u>6,073,165</u>
Total liabilities	<u>7,711,592</u>	<u>9,768,035</u>
Deferred Inflows of Resources		
Deferred inflows related to pension	<u>940,650</u>	<u>664,193</u>
Net Position		
Net investment in capital assets	38,293,382	35,292,361
Restricted for:		
Debt service	1,064,767	1,091,173
Depreciation	250,000	250,000
Pension	424,231	226,291
Unrestricted	<u>7,592,415</u>	<u>7,615,820</u>
Total net position	<u>\$ 47,624,795</u>	<u>\$ 44,475,645</u>

See notes to the financial statements

Neenah Water Utility

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Sales of water	\$ 8,062,391	\$ 7,924,948
Other	<u>208,137</u>	<u>220,793</u>
Total operating revenues	<u>8,270,528</u>	<u>8,145,741</u>
Operating Expenses		
Operation and maintenance	2,829,624	3,171,198
Depreciation	<u>1,590,694</u>	<u>1,614,242</u>
Total operating expenses	<u>4,420,318</u>	<u>4,785,440</u>
Operating Income	<u>3,850,210</u>	<u>3,360,301</u>
Nonoperating Expenses		
Investment income	20,814	44,744
Gain (loss) on investments	-	(254)
Income from merchandising and jobbing	17,471	14,850
Gain (loss) on sale of fixed assets	-	966
Interest expense	(169,326)	(221,764)
Amortization of loss on advance refunding	(3,041)	(4,022)
Amortization of debt premium	<u>15,809</u>	<u>17,825</u>
Total nonoperating expenses	<u>(118,273)</u>	<u>(147,655)</u>
Income before contributions and transfers	3,731,937	3,212,646
Capital Contributions	429,678	432,249
Capital Contributions, City	-	16,236
Transfers, Tax Equivalent	<u>(1,012,465)</u>	<u>(1,029,202)</u>
Change in net position	3,149,150	2,631,929
Net Position, Beginning	<u>44,475,645</u>	<u>41,843,716</u>
Net Position, Ending	<u>\$ 47,624,795</u>	<u>\$ 44,475,645</u>

See notes to the financial statements

Neenah Water Utility

Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Received from customers	\$ 8,458,137	\$ 8,191,537
Paid to suppliers for goods and services	(1,354,561)	(1,683,214)
Paid to employees for operating payroll	<u>(1,202,665)</u>	<u>(1,150,839)</u>
Net cash flows from operating activities	<u>5,900,911</u>	<u>5,357,484</u>
Cash Flows From Noncapital Financing Activities		
Paid to municipality for tax equivalent	<u>(1,029,298)</u>	<u>(935,432)</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(2,345,908)	(1,844,110)
Capital contributions received	144,433	151,769
Debt retired	(2,249,260)	(2,198,467)
Interest paid	<u>(176,800)</u>	<u>(229,067)</u>
Net cash flows from capital and related financing activities	<u>(4,627,535)</u>	<u>(4,119,875)</u>
Cash Flows From Investing Activities		
Investments purchased	(1,254,525)	-
Investments sold and matured	10,310	273,898
Change in fair value of investments	-	1,898
Investment income	<u>14,770</u>	<u>44,490</u>
Net cash flows from investing activities	<u>(1,229,445)</u>	<u>320,286</u>
Net change in cash and cash equivalents	(985,367)	622,463
Cash and Cash Equivalents, Beginning	<u>9,129,308</u>	<u>8,506,845</u>
Cash and Cash Equivalents, Ending	<u>\$ 8,143,941</u>	<u>\$ 9,129,308</u>
Noncash Capital and Related Financing Activities		
Developer financed additions to utility plant	<u>\$ 285,245</u>	<u>\$ 296,716</u>

See notes to the financial statements

Neenah Water Utility

Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities		
Operating income	\$ 3,850,210	\$ 3,360,301
Nonoperating revenue (expense)	17,471	14,850
Noncash items in operating income:		
Depreciation	1,590,694	1,614,242
Depreciation charged to clearing and other utilities	301,466	287,265
Changes in assets and liabilities:		
Customer accounts receivable	50,102	(54,843)
Other accounts receivable	(2,914)	(3,064)
Materials and supplies	(23,005)	24,664
Pension related deferrals and assets	(118,544)	3,693
Prepayments and other assets	2,595	(5,665)
Accounts payable	181,471	90,285
Accrued sick and vacation	14,051	14,748
Other current liabilities	4,628	10,841
Unearned revenue	32,686	167
	<u>\$ 5,900,911</u>	<u>\$ 5,357,484</u>
Net cash flows from operating activities		
	<u>\$ 5,900,911</u>	<u>\$ 5,357,484</u>
Reconciliation of Cash and Cash Equivalents to Statements of Net Position Accounts		
Cash and investments	\$ 4,372,787	\$ 4,462,059
Redemption account	1,087,376	1,121,256
Reserve account	319,000	319,000
Depreciation account	250,000	250,000
Other special funds	<u>3,371,326</u>	<u>2,989,326</u>
	9,400,489	9,141,641
Total cash and investments		
	9,400,489	9,141,641
Less noncash equivalents	<u>(1,256,548)</u>	<u>(12,333)</u>
	8,143,941	9,129,308
Cash and cash equivalents	<u>\$ 8,143,941</u>	<u>\$ 9,129,308</u>

See notes to the financial statements

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

1. Summary of Significant Accounting Policies

The financial statements of Neenah Water Utility (the Utility) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental 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 Utility are described below.

Reporting Entity

The Utility is a separate enterprise fund of the City of Neenah (Municipality). The Utility is managed by a utility commission. The Utility provides water service to properties within the Municipality.

The water utility operates under service rules and rates established by the Public Service Commission of Wisconsin (PSCW).

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Utility is presented as an enterprise fund of the Municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Deposits and Investments

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Investment of Utility funds is restricted by state statutes. Investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company.
- Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The Utility has adopted an investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 2. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

Receivables/Payables

Transactions between the Utility and other funds of the Municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds. All other outstanding balances between the Utility and other funds of the Municipality are reported as due to/from other funds.

The Utility has the right under Wisconsin statutes to place delinquent water bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

Materials and Supplies

Materials and supplies are generally used for construction, operation and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and charged to construction or expense when used.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

Other Special Accounts

Assets designated by the Utility Commission for future capital projects.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Anticipated Future Special Assessments

At December 31, 2021 and 2020 there were \$404,154 of anticipated future assessments which are not reported as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

Capital Assets

Capital assets are generally defined by the Utility as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets of the Utility are recorded at cost or the estimated acquisition value at the time of contribution to the Utility. Major outlays for Utility plant are capitalized as projects are constructed. Capital assets in service are depreciated or amortized using the straight-line method over the following useful lives:

	<u>Years</u>
Water Plant	
Source of supply	59
Pumping	23-43
Water treatment	29-31
Transmission and distribution	18-77
General	4-34

Pensions

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

Deferred Outflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Other Current Liabilities

These amounts consist of accrued payroll and accrued fringes.

Accrued Vacation and Sick Leave

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from general operating revenues of the Utility.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Long-Term Obligations

Long-term debt and other obligations are reported as Utility liabilities. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Revenues and Expenses

The Utility distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utility's principal ongoing operations. The principal operating revenues of the Utility are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Charges for Services

Billings are rendered and recorded monthly based on metered usage. The Utility does accrue revenues beyond billing dates.

Current water rates were approved by the PSCW on November 2010 and placed into effect January 1, 2011.

Capital Contributions

Cash and capital assets are contributed to the Utility from customers, the Municipality or external parties. The value of property contributed to the Utility is reported as revenue on the statements of revenues, expenses and changes in net position.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

2. Deposits and Investments

	Carrying Value as of		Risks
	December 31,		
	2021	2020	
Checking and savings	\$ 2,505,578	\$ 3,482,856	Custodial credit risk
Money market	206,382	180,757	Custodial credit risk
LGIP	5,431,781	5,465,495	Credit risk
U.S. agency securities	1,256,548	12,333	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Petty cash	<u>200</u>	<u>200</u>	None
Total	<u>\$ 9,400,489</u>	<u>\$ 9,141,641</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund (SDGF) in the amount of \$400,000.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

The Utility may also maintain separate cash and investment accounts at the same financial institutions utilized by the Municipality. Federal depository insurance and the SDGF apply to all municipal accounts and accordingly, the amount of insured funds is not determinable for the Utility alone. Therefore, coverage for the Utility may be reduced. Investment income on commingled investments of the entire Municipality is allocated based on average investment balances.

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, 2021 and 2020, the fair value of the LGIP's assets were substantially equal to the Utility's share.

The Utility categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring methods fair value measurements are as follows:

U.S. agency securities and corporate bonds are valued by a pricing service that uses matrix pricing or a yield of a similar investment type.

<u>Investment Type</u>	<u>December 31, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. agency securities, implicitly guaranteed	<u>\$ -</u>	<u>\$ 1,256,548</u>	<u>\$ -</u>	<u>\$ 1,256,548</u>

<u>Investment Type</u>	<u>December 30, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. agency securities, implicitly guaranteed	<u>\$ -</u>	<u>\$ 12,333</u>	<u>\$ -</u>	<u>\$ 12,333</u>

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Utility's deposits may not be returned to the Utility.

The Utility maintains certain deposits in the same institutions as the Municipality. The following is a summary of the Utility's total deposit balances at these institutions.

	<u>2021</u>		<u>2020</u>	
	<u>Bank Balance</u>	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Carrying Value</u>
Local/Area Bank	(A)	<u>\$ 2,711,960</u>	(A)	<u>\$ 1,759,863</u>

(A) The Utility's cash and investments are co-mingled with the entire Municipality. Therefore, the Utility's individual bank balances cannot be determined.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

The City's investment policy addresses Custodial Credit Risk of deposits in the following manner:

Where allowed by state and in accordance with the the Government Finance Officers Association (GFOA) Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on all demand deposit accounts, including checking accounts and nonnegotiable certificates of deposit.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Utility will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Utility does not have any investments exposed to custodial credit risk.

The City's investment policy does not address this risk.

Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2021, the Utility's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investors Services</u>
U.S., agencies, implicitly guaranteed	Aa2

As of December 30, 2020, the Utility's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investors Services</u>
U.S., agencies, implicitly guaranteed	Aa2

The Utility held investments in the Local Government Investment Pool which is an external pool that is not rated.

The City's investment policy addresses this risk. The City of Neenah will minimize credit risk, which is the risk of loss due to failure of the security issuer or backer, by limiting investments to types of securities listed within the policy; pre-qualifying financial institutions, brokers/dealers, intermediaries and advisors and; diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Concentration of Credit Risk

As of December 31, 2021 and 2020, the Utility did not have any investments with a single issuer exceeding 5% of total portfolio.

The City's Investment Policy Addresses This Risk. The City Of Neenah Will Diversify Investments By Limiting Investments To Avoid Overconcentration In Securities From Specific Issuer In Business Sector, By Limiting Investment In Securities That Have Higher Credit Risks, By Investing In Securities With Varying Maturities And Continuously Investing A Portion Of The Portfolio In Readily Available Funds Such As Local Government Investment Pools, Money Market Funds Or Overnight Repurchase Agreements To Ensure That Appropriate Liquidity Is Maintained In Order To Meet Ongoing Obligations.

Interest Rate Risk

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2021, the Utility's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1 Year	1 - 5 Years	Greater than 5 Years
U.S. Agencies, implicitly guaranteed	<u>\$ 1,256,548</u>	<u>\$ -</u>	<u>\$ 1,254,525</u>	<u>\$ 2,023</u>

As of December 30, 2020, the Utility's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1 Year	1 - 5 Years	Greater than 5 Years
U.S. Agencies, implicitly guaranteed	<u>\$ 12,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,333</u>

Investment Policy

The City's investment policy addresses this risk. The City of Neenah will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

3. Interfund Receivables/Payables and Transfers

The following is a schedule of interfund balances for the years ending December 31, 2021 and 2020:

Due To	Due From	2021		2020	
		Amount	Principal Purpose	Amount	Principal Purpose
Municipality	Water Utility	\$ 1,012,465	Tax equivalent	\$ 1,029,202	Tax equivalent
Water Utility	Municipality	96	Delinquents on tax roll	-	

The following is a schedule of transfer balances for the years ending December 31, 2021 and 2020:

To	From	2021		2020	
		Amount	Principal Purpose	Amount	Principal Purpose
Municipality	Water Utility	\$ 1,012,465	Tax equivalent	\$ 1,029,202	Tax equivalent

4. Restricted Assets

Restricted Accounts

Certain proceeds of the Utility's debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited. The following accounts are reported as restricted assets:

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Restricted Net Position

The following calculation supports the amount of water restricted net position:

	2021	2020
Restricted assets:		
Redemption account	\$ 1,087,376	\$ 1,121,256
Reserve account	319,000	319,000
Depreciation account	250,000	250,000
Net pension asset	424,231	226,291
Total restricted assets	2,080,607	1,916,547
Less restricted assets not funded by revenues:		
Reserve from borrowing	(319,000)	(319,000)
Current liabilities payable from restricted assets	(22,609)	(30,083)
Total restricted net position as calculated	\$ 1,738,998	\$ 1,567,464

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

The purpose of the restricted net position is as follows:

	<u>2021</u>	<u>2020</u>
Debt service	\$ 1,064,767	\$ 1,091,173
Depreciation	250,000	250,000
Pension	<u>424,231</u>	<u>226,291</u>
Total restricted net position	<u>\$ 1,738,998</u>	<u>\$ 1,567,464</u>

5. Changes in Capital Assets

A summary of changes in Water capital assets for 2021 follows:

	<u>Balance 1/1/21</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/21</u>
Capital assets, not being depreciated:				
Land and land rights	<u>\$ 122,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,180</u>
Capital assets being depreciated:				
Source of supply	130,978	-	-	130,978
Pumping	3,384,851	-	600	3,384,251
Water treatment	24,440,799	411,421	148,989	24,703,231
Transmission and distribution	36,269,171	2,236,976	496,569	38,009,578
General	<u>2,326,770</u>	<u>-</u>	<u>77,860</u>	<u>2,248,910</u>
Total capital assets being depreciated	<u>66,552,569</u>	<u>2,648,397</u>	<u>724,018</u>	<u>68,476,948</u>
Total capital assets	<u>66,674,749</u>	<u>2,648,397</u>	<u>724,018</u>	<u>68,599,128</u>
Less accumulated depreciation:				
Source of supply	(130,978)	-	-	(130,978)
Pumping	(1,717,992)	(107,733)	600	(1,825,125)
Water treatment	(12,362,578)	(817,110)	148,989	(13,030,699)
Transmission and distribution	(7,161,721)	(880,916)	496,569	(7,546,068)
General	<u>(2,119,216)</u>	<u>(86,400)</u>	<u>77,860</u>	<u>(2,127,756)</u>
Total accumulated depreciation	<u>(23,492,485)</u>	<u>(1,892,159)</u>	<u>724,018</u>	<u>(24,660,626)</u>
Construction in progress	<u>17,244</u>	<u>-</u>	<u>17,244</u>	<u>-</u>
Net capital assets	<u>\$ 43,199,508</u>			<u>\$ 43,938,502</u>

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

A summary of changes in Water capital assets for 2020 follows:

	<u>Balance 1/1/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/20</u>
Capital assets, not being depreciated:				
Land and land rights	\$ 122,180	\$ -	\$ -	\$ 122,180
Capital assets being depreciated:				
Source of supply	130,978	-	-	130,978
Pumping	3,384,851	-	-	3,384,851
Water treatment	24,433,880	12,111	5,192	24,440,799
Transmission and distribution	34,570,152	2,079,671	380,652	36,269,171
General	2,442,510	32,766	148,506	2,326,770
Total capital assets being depreciated	<u>64,962,371</u>	<u>2,124,548</u>	<u>534,350</u>	<u>66,552,569</u>
Total capital assets	<u>65,084,551</u>	<u>2,124,548</u>	<u>534,350</u>	<u>66,674,749</u>
Less accumulated depreciation:				
Source of supply	(130,978)	-	-	(130,978)
Pumping	(1,610,244)	(107,746)	-	(1,717,990)
Water treatment	(11,558,105)	(809,665)	5,192	(12,362,578)
Transmission and distribution	(6,707,436)	(834,938)	380,652	(7,161,722)
General	(2,118,565)	(149,158)	148,506	(2,119,217)
Total accumulated depreciation	<u>(22,125,328)</u>	<u>(1,901,507)</u>	<u>534,350</u>	<u>(23,492,485)</u>
Construction in progress	-	17,244	-	17,244
Net capital assets	<u>\$ 42,959,223</u>			<u>\$ 43,199,508</u>

6. Long-Term Obligations

Revenue Debt

The following bonds have been issued:

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount 12/31/21</u>
4/27/2005	Water treatment plant	05/01/2024	2.365 %	\$ 16,666,667	\$ 3,172,653 *
1/25/2006	Water treatment plant	05/01/2025	2.365	8,788,354	2,291,594 *
9/26/2012	Refund 2001 and 2002 bonds	12/01/2021	2.12	1,350,000	-
12/2/2013	Refund 2003 bonds	12/01/2021	2.00-2.50	3,545,000	-
12/1/2017	Refund 2007 bonds	12/01/2026	2.83	835,000	490,000

* The debt noted is directly placed with a third party.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Revenue bonds debt service requirements to maturity follows:

Years Ending December 31,	Bonds		Direct Placement		Total
	Principal	Interest	Principal	Interest	
2022	\$ 90,000	\$ 12,850	\$ 1,585,901	\$ 110,476	\$ 1,799,227
2023	95,000	11,050	1,623,407	72,526	1,801,983
2024	100,000	9,150	1,661,801	33,679	1,804,630
2025	100,000	6,150	593,138	7,014	706,302
2026	105,000	3,150	-	-	108,150
Total	<u>\$ 490,000</u>	<u>\$ 42,350</u>	<u>\$ 5,464,247</u>	<u>\$ 223,695</u>	<u>\$ 6,220,292</u>

All Utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2021 and 2020 were \$2,426,060 and \$2,427,534, respectively. Total customer gross revenues as defined for the same periods were \$8,308,813 and \$8,205,335. Annual principal and interest payments are expected to require 15% of gross revenues on average.

Long-Term Obligations Summary

Long-term obligation activity for the year ended December 31, 2021 is as follows:

	12/31/20 Balance	Additions	Reductions	12/31/21 Balance	Due Within One Year
Revenue bonds	\$ 8,203,507	\$ -	\$ 2,249,260	\$ 5,954,247	\$ 1,675,901
Accrued sick leave	112,938	41,616	27,565	126,989	30,822
Unamortized debt premium	25,681	-	15,808	9,873	-
Unearned revenues	7,864	40,550	7,864	40,550	-
Total	<u>\$ 8,349,990</u>	<u>\$ 82,166</u>	<u>\$ 2,300,497</u>	<u>\$ 6,131,659</u>	<u>\$ 1,706,723</u>

Long-term obligation activity for the year ended December 31, 2020 is as follows:

	1/2/20 Balance	Additions	Reductions	12/31/20 Balance	Due Within One Year
Revenue bonds	\$ 10,401,974	\$ -	\$ 2,198,467	\$ 8,203,507	\$ 2,249,260
Accrued sick leave	98,190	52,328	37,580	112,938	27,565
Unamortized debt premium	43,506	-	17,825	25,681	-
Unearned revenues	7,697	7,864	7,697	7,864	-
Total	<u>\$ 10,551,367</u>	<u>\$ 60,192</u>	<u>\$ 2,261,569</u>	<u>\$ 8,349,990</u>	<u>\$ 2,276,825</u>

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Bond Covenant Disclosures

The following information is provided in compliance with the resolution creating the revenue bonds:

Insurance

The Utility is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, workers compensation and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

The Utility is covered under the following insurance policies at December 31, 2021:

<u>Type</u>	<u>Coverage</u>	<u>Expiration</u>
<i>Cities and Villages Mutual Insurance Company</i>		
General liability	\$ 5,000,000 per occurrence	01/01/2022
Automobile	20,000,000 per occurrence	01/01/2022
<i>Municipal Property Insurance Company</i>		
Property (entire city)	\$190,878,774	01/01/2022

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the subsequent year's annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Operating revenues	\$ 8,270,528	\$ 8,145,741
Investment income	20,814	44,744
Miscellaneous nonoperating income	17,471	14,850
Less operation and maintenance expenses	<u>(2,829,624)</u>	<u>(3,171,198)</u>
Net defined earnings	<u>\$ 5,479,189</u>	<u>\$ 5,034,137</u>
Minimum Required Earnings per Resolution: Subsequent year annual debt service	\$ 1,799,227	\$ 2,426,060
Coverage factor	<u>1.25</u>	<u>1.25</u>
Minimum required earnings	<u>\$ 2,249,034</u>	<u>\$ 3,032,575</u>
Actual debt coverage	<u>3.05</u>	<u>2.08</u>

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Number of Customers and Billed Volumes - Water

The Utility has the following number of customers and billed volumes for 2021 and 2020:

	Customers		Sales (000 gals)	
	2021	2020	2021	2020
Residential	10,359	9,972	412,643	412,890
Multifamily residential	92	94	23,702	23,824
Commercial	681	740	139,029	130,508
Industrial	79	85	341,577	321,019
Public authority	56	58	24,912	18,190
Total	<u>11,267</u>	<u>10,949</u>	<u>941,863</u>	<u>906,431</u>

7. Net Position

GASB No. 34 requires the classification of net position into three components - net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets: This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted: This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This component of net position consists of net positions that do not meet the definition of restricted or net investment in capital assets.

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

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

The following calculation supports the water net investment in capital assets:

	<u>2021</u>	<u>2020</u>
Plant in service	\$ 68,599,128	\$ 66,674,749
Accumulated depreciation	(24,660,626)	(23,492,485)
Construction work in progress	<u>-</u>	<u>17,244</u>
Subtotal	<u>43,938,502</u>	<u>43,199,508</u>
Less capital related debt:		
Current portion of capital related long-term debt	1,675,901	2,249,260
Long-term portion of capital related long-term debt	4,278,346	5,954,247
Unamortized debt premium	9,873	25,681
Unamortized loss on advance refunding	<u>-</u>	<u>(3,041)</u>
Subtotal	<u>5,964,120</u>	<u>8,226,147</u>
Add unspent debt proceeds:		
Reserve from borrowing	<u>319,000</u>	<u>319,000</u>
Total net investment in capital assets	<u>\$ 38,293,382</u>	<u>\$ 35,292,361</u>

8. Employees Retirement System

General Information About the Pension Plan

Plan description: The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer 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.

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

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

Benefits provided: Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest earnings period. 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.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Vested participants may retire at age 55 (50 for protective occupation employees) 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.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
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)

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 and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category 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.

The WRS recognized \$77,682 and \$73,268 in contributions from the Utility during the current and prior reporting periods, respectively.

Contribution rates as of December 31, 2021 and December 31, 2020 are:

	<u>2021</u>		<u>2020</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
General (including executives and elected officials)	6.75 %	6.75 %	6.55 %	6.55 %
Protective with Social Security	6.75 %	11.75 %	6.55 %	10.55 %
Protective without Social Security	6.75 %	16.35 %	6.55 %	14.95 %

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

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

At December 31, 2021, the Utility reported a liability (asset) of \$(424,231) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net pension liability (asset) was based on the Utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City of Neenah's proportion was 0.13053840%, which was an increase of .0007184% from its proportion measured as of December 31, 2019.

At December 31, 2020, the Utility reported a liability (asset) of \$(226,291) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net pension liability (asset) was based on the Utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City of Neenah's proportion was .129719970%, which was an increase of .001538910% from its proportion measured as of December 31, 2018.

For the years ended December 31, 2021 and 2020, the Utility recognized pension expense of \$118,543 and \$3,693, respectively.

At December 31, 2021, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Neenah Water Utility</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 634,572	\$ 164,616
Changes in assumption	17,173	-
Net differences between project and actual earnings on pension plan	-	775,404
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,408	630
Employer contributions subsequent to the measurement date	<u>81,179</u>	<u>-</u>
Total	<u>\$ 734,332</u>	<u>\$ 940,650</u>

At December 31, 2020, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Neenah Water Utility</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 433,887	\$ 239,196
Changes in assumption	24,517	-
Net differences between project and actual earnings on pension plan	-	424,070
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,186	927
Employer contributions subsequent to the measurement date	<u>77,682</u>	<u>-</u>
Total	<u>\$ 537,272</u>	<u>\$ 664,193</u>

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date reported in the tables above will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflows of Resources
Years ending December 31:	
2022	\$ (73,863)
2023	(20,136)
2024	(135,959)
2025	(57,539)
2026	-
Thereafter	-
	<hr/>
Total	<u>\$ (287,497)</u>

Actuarial assumptions: The total pension liability in the actuarial valuation used in the current and prior year was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2021</u>	<u>2020</u>
Actuarial valuation date	December 31, 2019	December 31, 2018
Measurement date of net pension liability (asset)	December 31, 2020	December 31, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Fair Value	Fair Value
Long-term expected rate of return	7.0%	7.0%
Discount rate	7.0%	7.0%
Salary increases		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table	Wisconsin 2018 Mortality Table
Post-retirement adjustments *	1.9%	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

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 geometric real rates of return for each major asset class as of December 31, 2021 are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.75%.

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

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2020 are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49 %	8.1 %	5.5 %
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.5%.
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single discount rate: A single discount rate of 7.00% was used to measure the total pension liability as of December 31, 2021 and December 31, 2020. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 2.75% and 3.71%, in 2020 and 2019 respectively. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's 20-year Municipal GO AA Index as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

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

The sensitivity analysis as of December 31, 2021 follows:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
Neenah Water Utility's proportionate share of the net position liability (asset)	\$ 403,383	\$ (424,231)	\$ (1,031,333)

The sensitivity analysis as of December 31, 2020 follows:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
Neenah Water Utility's proportionate share of the net position liability (asset)	\$ 582,731	\$ (226,291)	\$ (831,122)

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://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

9. Commitments and Contingencies

Claims and Judgments

From time to time, the Utility is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Utility's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Utility's financial position or results of operations.

10. Risk Management

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC and has numerous municipalities as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the municipalities which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The Municipality's share of such losses is approximately 1%.

Neenah Water Utility

Notes to Financial Statements
December 31, 2021 and 2020

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The Municipality does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

The Municipality shows the general obligation bond that it owes to WMIC in the insurance internal service fund (governmental activities column of government-wide statement of net position). The transactions of the organization are not included in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Neenah Water Utility

Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System
Year Ended December 31, 2021

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/21	0.13053840%	\$ (424,231)	\$ 1,150,844	36.86%	105.26%
12/31/20	0.12971997%	(226,291)	1,100,597	20.56%	102.96%
12/31/19	0.12818106%	251,327	1,093,552	22.98%	96.45%
12/31/18	0.12552761%	(205,065)	1,103,125	18.59%	102.93%
12/31/17	0.12459281%	59,901	1,074,027	5.58%	99.12%
12/31/16	0.12458703%	121,833	1,086,882	11.21%	98.20%
12/31/15	0.12675710%	(185,460)	1,113,762	16.65%	102.74%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2021

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/21	\$ 81,179	\$ 81,179	\$ -	\$ 1,202,652	6.75%
12/31/20	77,682	77,682	-	1,150,844	6.75%
12/31/19	73,740	73,740	-	1,100,597	6.70%
12/31/18	73,268	73,268	-	1,093,552	6.70%
12/31/17	75,018	75,018	-	1,103,125	6.80%
12/31/16	70,885	70,885	-	1,074,027	6.60%
12/31/15	73,908	73,908	-	1,086,882	6.80%

See notes to the required supplementary information

Neenah Water Utility

Notes to Required Supplementary Information
Year Ended December 31, 2021

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The utility is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

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

Changes of assumptions.

	<u>2015 - 2018</u>	<u>2019 - 2021</u>
Long-term expected rate of return	7.2%	7.0%
Discount rate	7.2%	7.0%
Salary increases:		
Inflation	3.2%	3.0%
Seniority/Merit	0.2% - 5.6%	0.1% - 5.6%
Mortality	Wisconsin 2012 Mortality Table	Wisconsin 2018 Mortality Table
Post-retirement adjustments	2.10%	1.90%

SUPPLEMENTARY INFORMATION

Neenah Water Utility

Water Utility Plant

Year Ended December 31, 2021

	Balance 1/1/21	Additions	Retirements	Balance 12/31/21
Source of Supply				
Land and land rights	\$ 23,941	\$ -	\$ -	\$ 23,941
Intakes	130,978	-	-	130,978
Total source of supply	<u>154,919</u>	<u>-</u>	<u>-</u>	<u>154,919</u>
Pumping				
Structures and improvements	1,961,066	-	-	1,961,066
Other power production equipment	283,192	-	600	282,592
Electric pumping equipment	1,136,024	-	-	1,136,024
Other pumping equipment	4,569	-	-	4,569
Total pumping	<u>3,384,851</u>	<u>-</u>	<u>600</u>	<u>3,384,251</u>
Water Treatment				
Land and land rights	98,239	-	-	98,239
Structures and improvements	16,310,894	177,528	88,765	16,399,657
Water treatment equipment	8,129,905	233,893	60,224	8,303,574
Total water treatment	<u>24,539,038</u>	<u>411,421</u>	<u>148,989</u>	<u>24,801,470</u>
Transmission and Distribution				
Distribution reservoirs and standpipes	2,454,064	23,019	-	2,477,083
Transmission and distribution mains	24,236,262	1,362,546	252,442	25,346,366
Services	5,153,690	627,655	163,824	5,617,521
Meters	2,134,837	101,975	63,054	2,173,758
Hydrants	2,290,318	121,781	17,249	2,394,850
Total transmission and distribution	<u>36,269,171</u>	<u>2,236,976</u>	<u>496,569</u>	<u>38,009,578</u>
General				
Structures and improvements	93,332	-	-	93,332
Office furniture and equipment	32,748	-	526	32,222
Computer equipment	224,386	-	6,830	217,556
Transportation equipment	272,285	-	-	272,285
Tools, shop and garage equipment	120,690	-	5,018	115,672
Laboratory equipment	69,402	-	3,105	66,297
Power-operated equipment	191,155	-	-	191,155
Communication equipment	111,262	-	62,381	48,881
SCADA equipment	1,211,510	-	-	1,211,510
Total general	<u>2,326,770</u>	<u>-</u>	<u>77,860</u>	<u>2,248,910</u>
Total water utility plant	<u>\$66,674,749</u>	<u>\$ 2,648,397</u>	<u>\$ 724,018</u>	<u>\$68,599,128</u>

Neenah Water Utility

Water Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Sales of water:		
Unmetered	\$ 3,626	\$ 4,202
Metered:		
Residential	3,277,848	3,309,841
Commercial	1,076,594	981,026
Industrial	1,748,790	1,679,335
Public authorities	<u>121,647</u>	<u>128,387</u>
Total metered sales	6,224,879	6,098,589
Private fire protection	135,117	134,170
Public fire protection	1,699,063	1,689,033
Bad debt expense	<u>(294)</u>	<u>(1,046)</u>
Total sales of water	<u>8,062,391</u>	<u>7,924,948</u>
Other operating revenues:		
Forfeited discounts	26,707	32,656
Miscellaneous service revenue	21,664	21,043
Rents from water property	113,383	111,344
Other	<u>46,383</u>	<u>55,750</u>
Total operating revenues	<u>8,270,528</u>	<u>8,145,741</u>
Operating Expenses		
Operation and maintenance:		
Source of supply:		
Operation supervision and engineering	2,828	3,348
Maintenance:		
Supervision and engineering	10,801	4,280
Lake, river and other intakes	<u>5,760</u>	<u>9,409</u>
Total source of supply	<u>19,389</u>	<u>17,037</u>
Pumping:		
Operation supervision and engineering	12,364	16,063
Fuel for power production	125,807	119,180
Pumping labor	96,577	93,714
Miscellaneous	12,410	9,231
Maintenance:		
Supervision and engineering	<u>15,438</u>	<u>17,419</u>
Total pumping	<u>262,596</u>	<u>255,607</u>
Water treatment:		
Operation supervision and engineering	29,262	34,210
Chemicals	423,926	370,714
Operation labor	326,796	308,015
Miscellaneous	71,634	66,995
Maintenance:		
Supervision and engineering	33,870	43,368
Structures and improvements	148,835	543,638
Water treatment equipment	<u>127,783</u>	<u>129,654</u>
Total water treatment	<u>1,162,106</u>	<u>1,496,594</u>

Neenah Water Utility

Water Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Transmission and distribution:		
Operation supervision and engineering	\$ 17,414	\$ 25,659
Storage facilities	9,950	6,676
Transmission and distribution lines	85,017	70,653
Meters	37,077	34,231
Customer installations	27,221	21,984
Miscellaneous	79,865	72,636
Maintenance:		
Supervision and engineering	14,312	15,380
Structures and improvements	270	-
Reservoirs and standpipes	-	13,511
Mains	243,918	195,755
Services	47,295	69,491
Meters	1,631	345
Hydrants	19,508	23,889
Miscellaneous	<u>(2,073)</u>	<u>(3,852)</u>
Total transmission and distribution	<u>581,405</u>	<u>546,358</u>
Customer accounts:		
Supervision	14,853	28,337
Meter reading	8,524	7,691
Accounting and collecting labor	<u>106,820</u>	<u>94,284</u>
Total customer accounts	<u>130,197</u>	<u>130,312</u>
Administrative and general:		
Salaries	210,066	182,170
Office supplies	3,697	3,690
Outside services employed	26,167	36,183
Property insurance	27,485	29,222
Injuries and damages	35,918	34,451
Employee pensions and benefits	262,709	338,519
Miscellaneous	13,202	9,843
Rents	<u>10,890</u>	<u>10,580</u>
Total administrative and general	<u>590,134</u>	<u>644,658</u>
Taxes	<u>83,797</u>	<u>80,632</u>
Total operation and maintenance	2,829,624	3,171,198
Depreciation	<u>1,590,694</u>	<u>1,614,242</u>
Total operating expenses	<u>4,420,318</u>	<u>4,785,440</u>
Operating income	<u>\$ 3,850,210</u>	<u>\$ 3,360,301</u>

Neenah Water Utility

Rate of Return - Regulatory Basis
Years Ended December 31, 2021 and 2020

	<u>Water</u>	
	<u>2021</u>	<u>2020</u>
Utility Financed Plant in Service		
Beginning of year	\$ 57,067,379	\$ 55,867,793
End of year	<u>58,610,415</u>	<u>57,067,379</u>
Average	<u>57,838,897</u>	<u>56,467,586</u>
Utility Financed Accumulated Depreciation		
Beginning of year	(22,085,745)	(20,806,811)
End of year	<u>(23,189,929)</u>	<u>(22,085,745)</u>
Average	<u>(22,637,837)</u>	<u>(21,446,278)</u>
Materials and Supplies		
Beginning of year	95,847	120,511
End of year	<u>118,852</u>	<u>95,847</u>
Average	<u>107,350</u>	<u>108,179</u>
Regulatory Liability		
Beginning of year	(135,337)	(150,375)
End of year	<u>(120,299)</u>	<u>(135,337)</u>
Average	<u>(127,818)</u>	<u>(142,856)</u>
Average net rate base	<u>\$ 35,180,592</u>	<u>\$ 34,986,631</u>
Operating income, regulatory basis	<u>\$ 2,996,668</u>	<u>\$ 2,480,532</u>
Rate of return (percent)	<u>8.52 %</u>	<u>7.09 %</u>
Authorized rate of return (percent)	<u>7.50 %</u>	<u>7.50 %</u>

This schedule is computed based on Public Service Commission of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America due to GASB No. 34 as well as PSC order 05-US-105.



Reporting and insights from 2021 audit: Neenah Water Utility

December 31, 2021

Executive summary

May 9, 2022

To the Neenah Water Utility
Neenah, Wisconsin

We have completed our audit of the financial statements Neenah Water Utility (the Utility) for the year ended December 31, 2021, and have issued our report thereon dated May 9, 2022. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your Utility's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

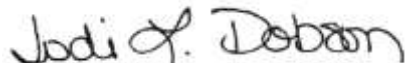
Additionally, we have included information on key risk areas Neenah Water Utility should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Jodi Dobson, Partner: jodi.dobson@bakertilly.com or +1 (608) 240 2469

Sincerely,

Baker Tilly US, LLP



Jodi Dobson, Partner, CPA

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Utility's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Internal control matters
- Qualitative aspects of the Utility's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Utility and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Utility's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

Internal control matters

We considered the Utility's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the Utility's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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.

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 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or 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. We identified the following deficiency as a significant deficiency:

– **Financial statement close process**

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes, are prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered significant deficiency surrounding the preparation of financial statements and footnotes, adjusting journal entries identified by the auditors, and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles.

Management response

While the City's Finance Department, on behalf of the Neenah Water Utility, prepares and submits financial data for audit, the Water Utility utilizes Baker Tilly to prepare its annual financial statements each year as a service due to limited resources at the City. The City's Finance Department puts considerable effort into its year-end and annual financial reporting responsibilities. Inclusive in this are the continual review of general ledger postings, budget to actual analysis, financial coordination with other City departments, and multiple controls at the transaction level. Finance staff also regularly attends regional and local conferences to keep informed regarding emerging accounting standards. All of this has resulted in a reduction of material audit entries to the point of none occurring for the 2021 audit. In addition, the City's Finance Department and Water Utility completes a thorough review of the Baker Tilly drafted financials prior to final issuance.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Utility are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2021. We noted no transactions entered into by the Utility during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Unbilled customer charges	Usage reports for billings that do not fall on year end	Reasonable in relation to the financial statements as a whole
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Utility or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Utility's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other information in documents containing audited basic financial statements

The Utility's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The Town/Village/City/County/Utility/District can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Utility's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Utility that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Utility's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- CIVIC systems software

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.

Management representation letter



Neenah Water Utility

211 Walnut St., P.O. Box 426, Neenah, WI 54957-0426

Phone: 920-886-6180 Fax: 920-886-6250

E-mail: water@ci.neenah.wi.us

May 9, 2022

Baker Tilly US, LLP

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Neenah Water Utility as of December 31, 2021 and 2020 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Neenah Water Utility results of operations, and cash flows of its proprietary funds in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the utility required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, if any, are reasonable.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 8) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 9) Guarantees, whether written or oral, under which the Utility is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Water Works Commission or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 12) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 13) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.

- 14) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 15) We have disclosed to you all known related parties and all the related party relationships and transactions of which we are aware.

Other

- 16) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 17) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
- 18) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 19) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - d) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
- 20) In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
 - a) Financial statement preparation
 - b) Civic Systems software

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.
- 21) The Neenah Water Utility has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

- 22) The Neenah Water Utility has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 23) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 24) The Neenah Water Utility has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 25) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 26) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 27) Tax-exempt bonds issued have retained their tax-exempt status.
- 28) We have appropriately disclosed the Neenah Water Utility's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.
- 29) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 30) With respect to the supplementary information, (SI):
 - a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 31) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 32) Any direct borrowings, direct placements, lines of credit or debt default clauses have been identified and properly disclosed.

- 33) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the entity's financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditor's report thereon. We do not prepare an annual report.

Sincerely,

Neenah Water Utility

Signed:

A handwritten signature in green ink, appearing to read "M. Ok. Ecker", written over a horizontal line.

Signed:

A handwritten signature in black ink, appearing to read "J. B. Lang", written over a horizontal line.

Signed:

A handwritten signature in blue ink, appearing to read "Dan", written over a horizontal line.

Client service team



Jodi Dobson, CPA
Partner

4807 Innovate Lane
Madison, Wisconsin 53718
United States

T +1 (608) 240 2469 | Madison
jodi.dobson@bakertilly.com

Accounting changes relevant to Neenah

Future accounting standards update

GASB Statement Number	Description	Potentially Impacts you	Effective Date
87	Leases	✓	12/31/22*
91	Conduit Debt	✓	12/31/22*
92	Omnibus 2020	✓	12/31/22*
93	Replacement of Interfund Bank Offered Rates		12/31/22*
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements		12/31/23
96	Subscription-Based Information Technology Arrangements	✓	12/31/23
97	Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans	✓	12/31/22

*The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years. The effective date reflected above is the required revised implementation date.

Further information on upcoming [GASB pronouncements](#).

Ready or not – the new lease standard is here!

GASB's new single model for lease accounting is effective for next year's audit (fiscal years ending June 30, 2022 and later). This standard requires governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources. The standard specifies that leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated).

The implementation process can be broken down into a four-step methodology:



Now is the time to evaluate where your government is in this process and the timeline to complete implementation. The third step for lease evaluation, data extraction and review is typically the most time-consuming step; organizations should begin this process well before year end to ensure adequate lead time. A key decision that will need to be made is whether a lease administration software package is necessary. Depending on the volume and complexity of your lease activity, spreadsheets may not be sufficient to track and calculate all the required information.

We are available to discuss this further and help you develop an action plan. Baker Tilly also has complimentary resources available online including:

- GASB 87 lease identification questionnaire
- GASB 87 lease assistance tool
- Variety of GASB 87 podcasts and articles

Access tools and learn more about [GASB 87](#).

Preparing for the new conduit debt reporting

Conduit debt includes arrangements where there are three separate parties involved including a third party that is obligated for payment, a debt holder or lender and an issuing party which is often a government. This standard provides additional criteria for identifying and classifying conduit debt with the intent of providing consistency in how the debt is recorded and reported in governmental financial statements. The Utility should identify any existing debt arrangements involving third-party obligors and evaluate how those arrangements will be reported under the new standard in order to determine the potential impact of this standard on future financial reporting.

Determining if GASB 94 applies for your organization

GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* provides guidance related to public-private and public-public partnerships (PPP) and availability payment arrangements (APA).

A PPP is an arrangement in which an entity contracts with an operator to provide public services by conveying control of the right to operate or use infrastructure or other capital asset. A common example of PPP is a service concession arrangement.

An APA is an arrangement in which an entity compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an asset.

The Utility should start to identify any contracts that could meet either definition to ensure they are reviewed for applicability and accounted for correctly when the standard is effective. Initial steps include reviewing contracts that didn't meet the definition of a lease under GASB 87 and identifying any other agreements where the organization contracts with or partners with another entity to provide services.

Future accounting for subscription-based IT arrangements

Subscription-based IT arrangements include contracts that convey control of the right to use another party's IT software. It would not include any licensing arrangements that provide a perpetual license, which would still be accounted for as an intangible asset. Subscription-based IT arrangements are becoming more and more popular with IT vendors. This standard mirrors the new lease standard. The Utility will be able to utilize the systems put into place to implement the lease standard to properly account for these contracts. Common examples of these contracts in the utility industry include:

- Leasing space in the cloud
- GIS systems
- SCADA systems
- Some work order or inventory systems as well as some general ledger or billing systems

The Utility should work with its IT department and department managers to determine a population listing of contracts that would fall under this standard to determine the potential future impact to financial reporting.

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the Utility will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

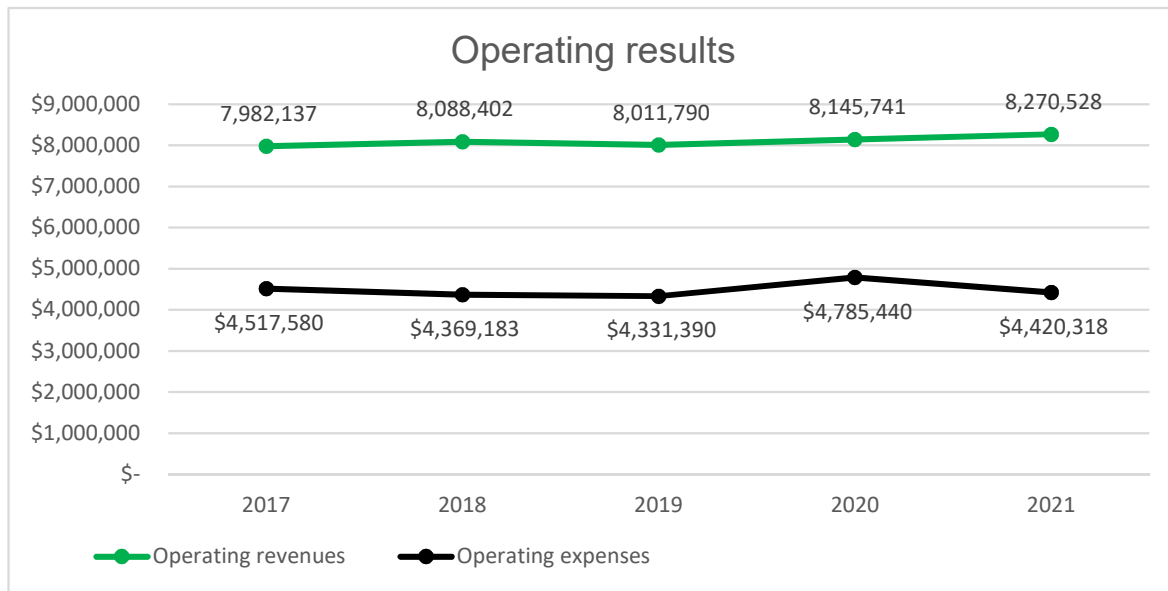
We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.



City of Neenah Utilities

Water Utility Results

	<u>Current Year</u>	<u>Prior Year</u>
Actual Rate of Return	8.52%	7.09%
Authorized Rate of Return	7.50%	7.50%



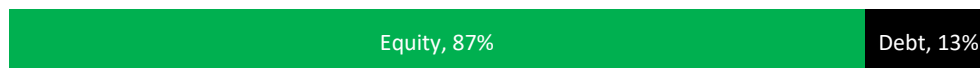
Unrestricted Reserves

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Year end balance	\$ 6,037,187	\$ 6,999,609	\$ 7,120,629	\$ 7,451,385	\$ 7,744,113
Months on hand	9.08	10.38	10.67	10.98	11.24

Debt Coverage

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actual	2.12	2.23	2.22	2.08	3.05
Required	1.25	1.25	1.25	1.25	1.25

Investment in Capital



NEENAH WATER UTILITY

12 MONTH FINANCIAL REPORT

January 1 through December 31, 2021

Neenah Water Utility
Comparative Balance Sheet
as of December 31, 2021 & 2020

Assets	2021	Assets	2020	
Current Assets				
Cash & Cash Equivalents				
Cash on Hand	\$ 2,505,578	Cash on Hand	\$ 3,482,856	
Working Funds - Petty Cash	200	Working Funds - Petty Cash	200	
Prepays	4,999	Prepays	7,594	
Total Cash & Cash Equivalents	\$ 2,510,777	Total Cash & Cash Equivalents	\$ 3,490,650	A)
Temporary Investments				
Unrestricted	\$ 723,080	Unrestricted	\$ 979,003	
Restricted for Debt Service	1,087,376	Restricted for Debt Service	1,121,256	B)
Replacement Reserves	3,371,326	Replacement Reserves	2,989,326	
Total Temporary Investments	\$ 5,181,782	Total Temporary Investments	\$ 5,089,585	
Receivables				
Customer Account	\$ 1,652,049	Customer Account	\$ 1,702,149	C)
Other	14,127	Other	11,213	D)
Due from other Funds	96	Due from other Funds	0	
Investment Interest	6,060	Investment Interest	16	
Total Receivables	\$ 1,672,332	Total Receivables	\$ 1,713,378	
Inventory				
Chemical	\$ 93,936	Chemical	\$ 70,931	
Meter & Hydrant Supplies	24,916	Meter & Hydrant Supplies	24,916	
Total Inventory	\$ 118,852	Total Inventory	\$ 95,847	E)
Total Current Assets	\$ 9,483,744	Total Current Assets	\$ 10,389,460	
NonCurrent Assets				
Long Term Investments	1,143,929	Long Term Investments	0	
Revenue Bond Reserve Investments	319,000	Revenue Bond Reserve Investments	319,000	
Revenue Bond Depreciation Fund Investments	250,000	Revenue Bond Depreciation Fund Investments	250,000	
Unamortized Premiums on Borrowing/Refunding	(9,873)	Unamortized Premiums on Borrowing/Refunding	(25,681)	
Unamortized Loss on Advanced Refunding	0	Unamortized Loss on Advanced Refunding	3,041	
Deferred Outflow Related to Pension	1,111,913	Deferred Outflow Related to Pension	1,067,346	
Fixed Assets				
Utility Plant in Service	\$ 68,599,128	Utility Plant in Service	\$ 66,691,992	
Less: Accumulated Depreciation	(24,660,626)	Less: Accumulated Depreciation	(23,492,482)	
Net Utility Plant in Service	\$ 43,938,502	Net Utility Plant in Service	\$ 43,199,509	
Deferred Special Assessments	404,154	Deferred Special Assessments	404,154	
Net Pension Asset	424,231	Net Pension Asset	226,291	
Construction Work in Process	0	Construction Work in Process	0	
Total NonCurrent Assets	47,581,856	Total NonCurrent Assets	45,443,660	
Total Assets	\$57,065,600	Total Assets	\$55,833,121	
Liabilities & Capital				
Current Liabilities				
Accruals				
Due to Vendors/Contractors	\$483,605	Due to Vendors/Contractors	\$302,145	
Payrolls	61,246	Payrolls	56,614	
In Lieu of Property Taxes	1,012,465	In Lieu of Property Taxes	1,029,202	F)
Interest	22,609	Interest	30,082	
Total Accruals	\$ 1,579,925	Total Accruals	\$ 1,418,044	
Deferred Revenue	\$ 40,559	Deferred Revenue	\$ 7,864	
Net Pension Liability	\$ -	Net Pension Liability	\$ -	G)
Total Current Liabilities	\$1,620,484	Total Current Liabilities	\$1,425,909	
NonCurrent Liabilities				
Revenue/Refunding Bonds/Notes	\$ 490,000	Revenue/Refunding Bonds/Notes	\$ 1,190,000	H)
Safe Drinking Loan	5,464,247	Safe Drinking Loan	7,013,508	I)
Employee Vacation & Sick Leave Reserve	126,989	Employee Vacation & Sick Leave Reserve	112,938	
Allowance of Uncollectable A/R	16,700	Allowance of Uncollectable A/R	16,700	
Deferred Special Assessments	404,154	Deferred Special Assessments	404,154	
Total NonCurrent Liabilities	\$ 6,502,090	Total NonCurrent Liabilities	\$ 8,737,299	
Total Liabilities	\$ 8,122,574	Total Liabilities	\$ 10,163,208	
Deferred Inflows Related to Pension	\$ 1,318,230	Deferred Inflows Related to Pension	\$ 1,194,267	
Capital & Retained Earnings				
City Paid in Capital	\$ 2,661,887	City Paid in Capital	\$ 2,661,887	J)
Beginning Retained Earnings	\$ 41,813,759	Beginning Retained Earnings	\$ 39,181,831	
Net Income (Loss)	3,149,150	Net Income (Loss)	2,631,928	K)
Ending Retained Earnings	\$ 44,962,909	Ending Retained Earnings	\$ 41,813,759	
Total Capital & Retained Earnings	47,624,796	Total Capital & Retained Earnings	44,475,646	
Total Liabilities & Capital	\$ 57,065,600	Total Liabilities & Capital	\$ 55,833,121	

**Neenah Water Utility
Notes and Explanations
Comparative Balance Sheet
For the Period Ending December 31, 2020 & 2021**

Liquidity (Current assets/current liabilities) ratio = 5.85 for the 4th Quarter of 2021. Above 1 is the goal. 4th Quarter of 2020 = 7.29

- A) Total Cash Equivalents have decreased for the 4th Quarter 2021 over the corresponding period in 2020, due to movement into long-term investments.
- B) Restricted Funds are retained due to bond covenants and Commission set asides. Invested in LGIP funds. Unrestricted funds are available for projects and emergencies.
- C) Customer Account includes bills sent out at the end of December to residential, commercial, multifamily, industrial, and public accounts.
- D) Includes other billings not yet paid.
- E) Total Inventory is the value of treatment chemicals and distribution materials held in inventory.
- F) PILOT based on Utility Plant in Service.
- G) Net Pension Liability is based on WRS investment performance, the results of which contributed to a shift from a net pension liability on the Utility's books to an asset in 2020 and 2021.
- H) Includes revenue bonds with maturity date 12/1/2026.
- I) Safe Drinking Water Loan used for plant construction, issued 2005 and 2006 with maturity dates 5/1/2024 and 5/1/2025.
- J) Includes City's initial investment and projects paid by TIF.
- K) Net income

Neenah Water Utility				
Comparative Income Statement				
for the Twelve Months Ending - December 31, 2021 & 2020				
	2021		2020	Percent Change
Water Operating Revenue				
Unmetered				
Sales to General Customers (WFC)	3,513		2,635	33.3% (A)
Private Fire Protection (Firelines)	135,117		134,170	0.7% (B)
Public Fire Protection - All Customers	1,699,063		1,689,033	0.6% (C)
Total Unmetered Revenue	\$1,837,693		\$1,825,837	0.6%
Metered				
Bulk Water - All Customer Types	4,592		2,726	68.4% (D)
Residential Customers	3,273,370		3,308,682	-1.1% (E)
Multi Residential Customers	150,971		156,973	-3.8% (F)
Commercial Customers	925,623		824,053	12.3% (G)
Industrial Customers	1,748,790		1,679,335	4.1% (H)
Municipal/Other Public Customers	121,647		128,387	-5.2% (I)
Total Metered Revenue	\$6,224,993		\$6,100,156	2.0%
Total Water Operating Revenue	\$ 8,062,686		\$ 7,925,993	1.7% (J)
Other Operating Revenue				
Forfeited Discounts (Late Fees)	26,707		32,656	-18.2% (K)
Miscellaneous Service Revenues	21,555		23,142	-6.9% (L)
Water Property Rental Revenue	113,383		109,243	3.8% (M)
Other Revenues	46,408		55,801	-16.8% (N)
Total Other Operating Revenue	\$208,053		\$220,842	-5.8%
Total Operating Revenue	\$ 8,270,740		\$ 8,146,835	1.5% (O)
Operating Expenses				
Source of Supply Expenses	19,389		17,037	13.8% (P)
Pumping Expenses	262,595		255,607	2.7% (Q)
Water Treatment Expenses	1,163,076		1,497,563	-22.3% (R)
Transmission & Distribution Expenses	579,768		544,727	6.4% (S)
Customer Account Expenses	130,491		131,358	-0.7% (T)
Administrative & General Expenses	327,426		306,138	7.0% (U)
Employee Fringe Benefit Expense	262,709		338,518	-22.4% (V)
Depreciation Expense	1,590,694		1,614,242	-1.5% (W)
Property Tax Expense	1,012,465		1,029,202	-1.6% (X)
Payroll Tax Expense	68,792		66,870	2.9% (Y)
Other Tax Expense	15,672		14,423	8.7% (Z)
Total Operating Expenses	\$ 5,433,077		\$ 5,815,685	-6.6%
Net Operating Income (Loss)	\$ 2,837,663		\$ 2,331,150	21.7%
Other Revenue				
Interest Income	20,814		44,488	-53.2% (AA)
Amortization of Debt Premium	15,809		17,825	-11.3%
Capital Contributions	429,677		450,290	-4.6%
Miscellaneous Non-Operating Income	17,554		13,960	25.7% (BB)
Total Other Revenue	\$ 483,854		\$ 526,563	-8.1%
Other Expenses				
Interest Expense on Long-Term Debt	169,326		221,763	-23.6%
Amortization Expense on Long-Term Debt	3,041		4,022	-24.4%
Total Other Expenses	\$ 172,367		\$ 225,785	-23.7%
Net Income (Loss)	\$ 3,149,150		\$ 2,631,928	19.7% (CC)

**Neenah Water Utility
Notes and Explanations
Comparative Income Statement
For the Period Ending December 31, 2020 & 2021**

- A. Sales to General Customers (water for construction).
- B. Private fire protection is billed at a PSC established flat rate per quarter based on the diameter of the fire line. This affects all customer types operating a private sprinkler/fire line, except residential.
- C. Public fire protection is based upon the square footage of each building.
- D. Bulk water is related to construction activity. A hydrant meter is used to determine usage.
- E. Residential number shown reflects revenues decreasing, likely due to the end of COVID-19 restrictions.
- F. Multi-Family Residential reflects a decrease from last year.
- G. Commercial revenues reflect a marked increase, likely due post Covid-19 reopenings.
- H. Industrial revenues reflect an increase, likely due post Covid-19 reopenings.
- I. Public sales include schools, parks, and other public buildings.
- J. Total Water Operating Revenues is the sum of A thru I. Revenue in the 4th quarter of 2021 is 1.7% greater than in the corresponding period of 2020.
- K. Late bill payment revenue (late fees). No late fees were charged per PSC Docket 5-UI-120 and the billing system transition.
- L. Revenue received for reading and billing sewer exemption meters; reconnect fees and turning on service lines; hydrant hook-up fees; customer repair charges.
- M. Revenue received for annual fire hydrant rental to the Town of Neenah and rental fees from cell providers for antenna space. It increases, as contract provisions require.
- N. Revenue received for sale of scrap, miscellaneous service fees, and returned check fees.
- O. Total Operating Revenues in 4th quarter are 1.5% greater than in the corresponding period of 2020.

Neenah Water Utility
Notes and Explanations Comparative Income Statement
For the Period Ending December 31, 2020 & 2021
Page 2 of 2

- P. Expenses are for supervision of intakes and related structures, including testing, inspections, cleanings, and repairs. Inspections and cleanings are twice a year as needed.
- Q. Pumping Expenses were up in the 4th quarter of 2021 as compared to the corresponding period in 2020.
- R. Treatment Expenses are down for the time period. The lagoon dredging in 2020 was offset by lower chemical costs.
- S. Transmission and Distribution Expenses are up for the 4th quarter of 2021 to the same period in 2020 due to increased stock purchases and main repairs, and miscellaneous expenses related to distribution operations.
- T. The Customer Account Expense is slightly lower in the 4th quarter 2021 than in 2020 due to the decreased amount of supervision, records, and collection required.
- U. This account reflects an increase due to an increase in salaries, educational expenses and increase in the liability insurance expense payment.
- V. Fringe benefits are affected by staffing levels, overtime or call-in work for water main breaks and plant emergencies, and retirement payouts.
- W. Depreciation Expense is dependent upon actual depreciation of the plant in service.
- X. Payment In Lieu of Property Tax (PILOT) reflects the value of the water system.
- Y. Payroll Taxes
- Z. Other Tax Expense includes the PSC Remainder Assessment and DNR Withdrawal Fees.
- AA. Interest Income has decreased due to economic factors and the payback of a prorated interest payment.
- BB. Miscellaneous non-operating income, including the P-card Rebate.
- CC. Net Income in the first quarter of 2021 reflects a marked increase compared to the same period in 2020.

Neenah Water Utility
2021 Construction Work in Progress

	Budget	3 Months	6 Months	9 Months	12 Months	Totals
Capital Projects:						
Meter replacement	80,000	76,620	23,655	509	1,191	101,975
Upgrade '12 pick-up truck to 1-ton work truck	60,000	-	-	-	-	-
Misc. tools & equipment-2020	20,000	-	1,800	-	-	1,800
Misc. tools & equipment-2021	20,000	-	3,193	7,086	4,154	14,433
Technology upgrade	10,000	-	-	-	-	-
Misc. consulting fees	15,000	-	-	-	-	-
Misc. Plant contingency	25,000	-	-	-	-	-
Replace Krohne Flow Meter Raw Water	23,000	-	-	-	-	-
Replace Krohne Flow Meter Finished Water	46,000	-	-	-	-	-
Replace (1) Finished Water VFD	40,000	-	-	-	-	-
Rebuild vertical turbine pump (1/5) Finished Water	16,000	-	-	-	52,184	52,184
Replace Plant Fence and Gate	-	-	35,179	34,314	1,525	71,018
Plant driveway turnaround-Fairview Ave Construction	100,000	-	-	-	136,447	136,447
Watermain Addition/Replacement:						
Fairview Ave	244,000	547	276,673	289	15,984	293,493
Fairview Ave-Sludge Line	138,000	-	85,868	-	2,124	87,992
Marathon Ave	437,000	-	457,255	-	23,075	480,330
Marathon Ave-Sludge Line	62,000	-	3,312	85,885	4,520	93,717
Washington Ave	76,000	-	-	93,273	4,495	97,768
Winneconne Ave	48,000	-	-	-	-	-
Olive St	96,000	-	-	119,489	5,803	125,292
Laudan Blvd	155,000	547	158,478	-	45,440	204,465
Isabella St	165,000	274	39,275	154,683	9,684	203,916
Courtney Ct.	-	-	-	1,517	56,838	58,355
Freedom Acres	-	-	-	-	4,217	4,217
Shooting Star	-	-	-	-	15,796	15,796
Industrial Tower Solar	-	-	-	11,811	11,207	23,018
2020 Henry St RR Xing	-	97,354	993	1,279	3,287	102,914
Totals	1,876,000	175,342	1,085,681	510,135	397,971	2,169,130
2021 Temporary Investments						
December 31, 2021						
Debt Service Reserves						
Safe Drinking Water Loan Payment			1,078,805			
2017 Refunding Debt Service Payment			8,571			
			\$1,087,376			
Replacement Reserves						
Sludge Lagoon Reserve			2,161,747			
Vehicle Replacement Reserve			218,084			
Painting Tower Reserve			391,495			
Painting Hydrants Reserve			54,000			
GAC Media Replacement			530,000			
Pump Rehab			16,000			
			\$3,371,326			

NEENAH WATER UTILITY

3 MONTH FINANCIAL REPORT

January 1 through March 31, 2022

Neenah Water Utility
Comparative Balance Sheet
as of March 31, 2022 & 2021

Assets	2022	Assets	2021
Current Assets		Current Assets	
Cash & Cash Equivalents		Cash & Cash Equivalents	
Cash on Hand	\$ 1,780,261	Cash on Hand	\$ 2,792,195
Working Funds - Petty Cash	200	Working Funds - Petty Cash	200
Special Deposits	0	Special Deposits	0
Prepays	2,979	Prepays	0
Total Cash & Cash Equivalents	\$ 1,783,439	Total Cash & Cash Equivalents	\$ 2,792,395 A)
Temporary Investments		Temporary Investments	
Unrestricted	\$ 26,765	Unrestricted	\$ 1,295,451
Restricted for Debt Service	1,541,871	Restricted for Debt Service	1,732,351 B)
Replacement Reserves	3,476,326	Replacement Reserves	3,080,076
Total Temporary Investments	\$ 5,044,962	Total Temporary Investments	\$ 6,107,878
Receivables		Receivables	
Customer Account	\$ 1,822,896	Customer Account	\$ 1,849,154 C)
Other	4,265	Other	1,327 D)
Investment Interest	8,845	Investment Interest	0
Total Receivables	\$ 1,836,006	Total Receivables	\$ 1,850,480
Inventory		Inventory	
Chemical	\$ 93,936	Chemical	\$ 70,931
Meter & Hydrant Supplies	24,916	Meter & Hydrant Supplies	24,916
Total Inventory	\$ 118,852	Total Inventory	\$ 95,847 E)
Total Current Assets	\$ 8,783,259	Total Current Assets	\$ 10,846,601
NonCurrent Assets		NonCurrent Assets	
Long Term Investments	2,309,947	Long Term Investments	0
Revenue Bond Reserve Investments	319,000	Revenue Bond Reserve Investments	319,000
Revenue Bond Depreciation Fund Investments	250,000	Revenue Bond Depreciation Fund Investments	250,000
Unamortized Premiums on Borrowing/Refunding	(9,242)	Unamortized Premiums on Borrowing/Refunding	(21,729)
Unamortized Loss on Advanced Refunding	0	Unamortized Loss on Advanced Refunding	2,281
Deferred Outflows Related to Pension	1,111,913	Deferred Outflows Related to Pension	1,067,346
Fixed Assets		Fixed Assets	
Utility Plant in Service	\$ 68,599,126	Utility Plant in Service	\$ 66,691,992
Less: Accumulated Depreciation	(25,065,184)	Less: Accumulated Depreciation	(23,889,109)
Net Utility Plant in Service	\$ 43,533,942	Net Utility Plant in Service	\$ 42,802,883
Construction Work in Process	246,537	Construction Work in Process	180,335
Deferred Special Assessments	404,154	Deferred Special Assessments	404,154
Net Pension Asset	424,231	Net Pension Asset	226,291
Total NonCurrent Assets	48,590,482	Total NonCurrent Assets	45,230,561
Total Assets	\$57,373,741	Total Assets	\$56,077,162
Liabilities & Capital		Liabilities & Capital	
Current Liabilities		Current Liabilities	
Accruals		Accruals	
Due to Vendors/Contractors	\$219,081	Due to Vendors/Contractors	\$39,483
Payrolls	5,658	Payrolls	6,008
In Lieu of Property Taxes	1,023,002	In Lieu of Property Taxes	1,012,809 F)
Interest	58,129	Interest	78,862
Total Accruals	\$ 1,305,870	Total Accruals	\$ 1,137,162
Net Pension Liability	\$ -	Net Pension Liability	\$ - G)
Total Current Liabilities	\$1,305,870	Total Current Liabilities	\$1,137,162
NonCurrent Liabilities		NonCurrent Liabilities	
Revenue/Refunding Bonds/Notes	\$ 490,000	Revenue/Refunding Bonds/Notes	\$ 1,190,000 H)
Safe Drinking Loan	5,464,247	Safe Drinking Loan	7,013,508 I)
Employee Vacation & Sick Leave Reserve	104,995	Employee Vacation & Sick Leave Reserve	112,938
Allowance of Uncollectable A/R	16,700	Allowance of Uncollectable A/R	16,700
Deferred Special Assessments	404,154	Deferred Special Assessments	404,154
Total NonCurrent Liabilities	\$ 6,480,096	Total NonCurrent Liabilities	\$ 8,737,300
Total Liabilities	\$ 7,785,966	Total Liabilities	\$ 9,874,461
Deferred Inflows Related to Pension	\$ 1,318,230	Deferred Inflows Related to Pension	\$ 1,194,267
Capital & Retained Earnings		Capital & Retained Earnings	
City Paid in Capital	\$ 2,661,887	City Paid in Capital	\$ 2,661,887 J)
Beginning Retained Earnings	\$ 44,962,909	Beginning Retained Earnings	\$ 41,813,759
Net Income (Loss)	644,749	Net Income (Loss)	532,788 K)
Ending Retained Earnings	\$ 45,607,658	Ending Retained Earnings	\$ 42,346,547
Total Capital & Retained Earnings	48,269,545	Total Capital & Retained Earnings	45,008,434
Total Liabilities & Capital	\$ 57,373,741	Total Liabilities & Capital	\$ 56,077,162

**Neenah Water Utility
Notes and Explanations
Comparative Balance Sheet
For the Period Ending March 31, 2021 & 2022**

Liquidity (Current assets/current liabilities) ratio = 6.73 for the 1st Quarter of 2022. Above 1 is the goal. 1st Quarter of 2021 = 9.54

- A) Total Cash Equivalents have decreased for the 1st Quarter 2022 over the corresponding period in 2021, due to movement into long-term investments.
- B) Restricted Funds are retained due to bond covenants and Commission set asides. Invested in LGIP funds. Unrestricted funds are available for projects and emergencies.
- C) Customer Account includes bills sent out at the end of March to residential, commercial, multifamily, industrial, and public accounts.
- D) Includes other billings not yet paid.
- E) Total Inventory is the value of treatment chemicals and distribution materials held in inventory.
- F) PILOT based on Utility Plant in Service.
- G) Net Pension Liability is based on WRS investment performance, the results of which contributed to a shift from a net pension liability on the Utility's books to an asset in 2020 and 2021.
- H) Includes revenue bonds with maturity date 12/1/2026.
- I) Safe Drinking Water Loan used for plant construction, issued 2005 and 2006 with maturity dates 5/1/2024 and 5/1/2025.
- J) Includes City's initial investment and projects paid by TIF.
- K) Net income

Neenah Water Utility					
Comparative Income Statement					
for the Three Months Ending - March 31, 2022 & 2021					
	2022	2021	Percent Change		
Water Operating Revenue					
Unmetered					
Sales to General Customers (WFC)	176	263	-33.2%	(A)	(87.46)
Private Fire Protection (Firelines)	34,832	33,653	3.5%	(B)	1,179.39
Public Fire Protection - All Customers	428,414	424,343	1.0%	(C)	4,071.25
Total Unmetered Revenue	\$463,422	\$458,259	1.1%		5,163.18
Metered					
Bulk Water - All Customer Types	0	538	-100.0%	(D)	(538.01)
Residential Customers	777,436	766,224	1.5%	(E)	11,211.77
Multi Residential Customers	38,157	38,779	-1.6%	(F)	(621.81)
Commercial Customers	205,533	179,771	14.3%	(G)	25,762.46
Industrial Customers	435,533	344,417	26.5%	(H)	91,116.08
Municipal/Other Public Customers	25,227	20,300	24.3%	(I)	4,927.30
Total Metered Revenue	\$1,481,885	\$1,350,027	9.8%		131,857.79
Total Water Operating Revenue	\$ 1,945,307	\$ 1,808,286	7.6%	(J)	137,020.97
Other Operating Revenue					
Forfeited Discounts	0	6	-100.0%	(K)	(5.78)
Miscellaneous Service Revenues	3,723	2,809	32.5%	(L)	913.93
Water Property Rental Revenue	37,498	36,806	1.9%	(M)	691.84
Other Revenues	2,181	1,593	36.9%	(N)	587.52
Total Other Operating Revenue	\$43,402	\$41,214	5.3%		2,187.51
Total Operating Revenue	\$ 1,988,709	\$ 1,849,501	7.5%	(O)	139,208.48
Operating Expenses					
Source of Supply Expenses	3,586	2,651	35.3%	(P)	935.23
Pumping Expenses	58,276	40,562	43.7%	(Q)	17,714.16
Water Treatment Expenses	252,250	221,973	13.6%	(R)	30,276.52
Transmission & Distribution Expenses	115,778	108,437	6.8%	(S)	7,340.97
Customer Account Expenses	32,540	31,857	2.1%	(T)	682.74
Administrative & General Expenses	100,056	118,003	-15.2%	(U)	(17,946.72)
Employee Fringe Benefit Expense	94,899	90,704	4.6%	(V)	4,194.61
Depreciation Expense	404,559	396,627	2.0%	(W)	7,932.50
Property Tax Expense	263,654	240,907	9.4%	(X)	22,746.50
Payroll Tax Expense	20,262	16,821	20.5%	(Y)	3,441.26
Total Operating Expenses	\$ 1,345,860	\$ 1,268,542	6.1%		77,317.77
Net Operating Income (Loss)	\$ 642,850	\$ 580,959	10.7%		61,890.71
Other Revenue					
Interest Income	2,128	-2,599	-181.9%	(Z)	4,726.65
Amortization of Debt Premium	630	3,952	-84.1%		(3,322.12)
Capital Contributions	34,613	0	0.0%		
Miscellaneous Non-Operating Income	48	16	200.0%	(AA)	32.00
Total Other Revenue	\$ 37,419	\$ 1,369	2632.4%		36,049.53
Other Expenses					
Interest Expense on Long-Term Debt	35,520	48,780	-27.2%		(13,259.88)
Amortization Expense on Long-Term Deb	0	760	-100.0%		(760.25)
Total Other Expenses	\$ 35,520	\$ 49,540	-28.3%		(14,020.13)
Net Income (Loss)	\$ 644,749	\$ 532,788	21.0%	(BB)	111,960.37

**Neenah Water Utility
Notes and Explanations
Comparative Income Statement
For the Period Ending March 31, 2021 & 2022**

- A. Sales to General Customers (water for construction).
- B. Private fire protection is billed at a PSC established flat rate per quarter based on the diameter of the fire line. This affects all customer types operating a private sprinkler/fire line, except residential.
- C. Public fire protection is based upon the square footage of each building.
- D. Bulk water is related to construction activity. A hydrant meter is used to determine usage.
- E. Residential number shown reflects revenues increasing.
- F. Multi-Family Residential reflects a decrease from last year.
- G. Commercial revenues reflect a marked increase, likely due post Covid-19 reopenings.
- H. Industrial revenues reflect a marked increase, likely due post Covid-19 reopenings.
- I. Public sales include schools, parks, and other public buildings.
- J. Total Water Operating Revenues is the sum of A thru I. Revenue in the 1st quarter of 2022 is 7.6% greater than in the corresponding period of 2021.
- K. Late bill payment revenue (late fees). No late fees were charged per PSC Docket 5-UI-120 and the billing system transition.
- L. Revenue received for reading and billing sewer exemption meters; reconnect fees and turning on service lines; hydrant hook-up fees; customer repair charges.
- M. Revenue received for annual fire hydrant rental to the Town of Neenah and rental fees from cell providers for antenna space. It increases, as contract provisions require.
- N. Revenue received for sale of scrap, miscellaneous service fees, and returned check fees.
- O. Total Operating Revenues in 1st quarter are 7.5% greater than in the corresponding period of 2021.

Neenah Water Utility
Notes and Explanations Comparative Income Statement
For the Period Ending March 31, 2021 & 2022
Page 2 of 2

- P. Source of Supply Expenses are for supervision of intakes and related structures, including testing, inspections, cleanings, and repairs. Inspections and cleanings are twice a year as needed.
- Q. Pumping Expenses were up in the 1st quarter of 2022 as compared to the corresponding period in 2021, due to increased production and maintenance.
- R. Treatment Expenses are up for the time period due to increased production, chemical purchase timing, maintenance, and the repair and upgrade of plant equipment.
- S. Transmission and Distribution Expenses are up for the 1st quarter of 2022 to the same period in 2021, due to increased stock purchases and main repairs, and miscellaneous expenses related to distribution operations.
- T. The Customer Account Expense is slightly higher in the 1st quarter 2022 than in 2021 due to the increased amount of supervision, records, and collection required.
- U. This account reflects a decrease due to decreased usage of outside services.
- V. Fringe benefits are affected by staffing levels, overtime or call-in work for water main breaks and plant emergencies, and retirement payouts.
- W. Depreciation Expense is dependent upon actual depreciation of the plant in service.
- X. Payment In Lieu of Property Tax (PILOT) reflects the value of the water system.
- Y. Payroll Taxes
- Z. Interest Income has increased due to economic factors. There was a payback of a prorated interest payment in 2021.
- AA. Miscellaneous non-operating income, including the P-card Rebate.
- BB. Net Income in the 1st quarter of 2022 reflects a marked increase compared to the same period in 2021.

Neenah Water Utility						
2022 Construction Work in Progress						
	Budget	3 Months	6 Months	9 Months	12 Months	Totals
Capital Projects:						
Meter replacement	100,000	108,483				108,483
Rebuild (1) finished water pump	20,000	-				-
Replace (1) Krohne mag meter backwash	25,000	-				-
Replace (1) washwater VFD	35,000	-				-
Replace tractor loader/backhoe (10yr cycle)	175,000	-				-
Replace road breaker for backhoe	16,000	-				-
Plate compactor for backhoe	8,000	-				-
Replace (3/3) lime slurry pump	45,000	-				-
Misc tools and equipment	20,000	2,647				2,647
Technology update	10,000	-				-
Misc consulting fees	20,000	-				-
Misc plant contingency	50,000	-				-
Rebuild (1) raw water pump	12,000	-				-
Floor scrubber	5,000	5,109				5,109
Replace 2015 Sierra 3500 Leak Truck	60,000	41,101				41,101
Watermain Addition/Replacement:						
Grove St/Dieckhoff St	40,000	-				-
Fredrick Dr	288,000	2,416				2,416
Meadow Ln	424,000	-				-
Wild Rose Ln	424,000	1,766				1,766
Green Acres	424,000	-				-
Honeysuckle Ln	424,000	-				-
Primrose Ln	424,000	6,144				6,144
Apple Blossom	-	4,137				4,137
2021 Industrial Tower Solar	-	(7,380)				(7,380)
2021 Freedom Acres	-	82,114				82,114
Totals	3,049,000	246,537	-	-	-	246,537
2022 Temporary Investments						
March 31, 2022						
Safe Drinking Water Loan Payment			1,507,588			
2017 Refunding Debt Service Payment			34,283			
			\$1,541,871			
Replacement Reserves						
Sludge Lagoon Reserve			2,206,747			
Vehicle Replacement Reserve			227,084			
Painting Tower Reserve			428,995			
Painting Hydrants Reserve			55,500			
GAC Media Replacement			530,000			
Pump Rehab			28,000			
			\$3,476,326			

Director's Report
May 23, 2022

1. Water Loss Report.
2. Relief Operator Kurt Swedberg tendered his resignation effective April 29. The position opening has been posted.
3. The following change orders and pay estimates were approved at the May 10, 2022 Board of Public Works meeting:
 - Change Order No.3, Contract 2-21, Sanitary Sewer, Water Main and Street Construction on Fairview Avenue and Laudan Boulevard to Carl Bowers & Sons Construction Company, Inc., Kaukauna, in the amount of \$12,224.67 for Water.
 - Final Pay Estimate for Contract 2-21, Sewer, Water Main and Street Construction, Fairview Avenue and Laudan Boulevard, to Carl Bowers & Sons Construction Company, Inc., Kaukauna, in the amount of \$163,386.75 for Water.
 - Pay Estimate No. 2, Contract 1-22, Sanitary, Storm and Water Main Construction, Apple Blossom Dr., Fredrick Dr., Green Acres Ln., Honeysuckle Ln. Meadow Ln., Primrose Ln., Wild Rose Ln., to Kruczek Construction Inc., Green Bay, in the amount of \$695,226.79 for Water.
4. Solar installation update.
5. Private lead service line replacement funding update.
6. Intake inspection update.
7. Staff are in the process of developing specifications and bid documents for the replacement of the tractor / backhoe.
8. The next regular Waterworks Commission meeting is scheduled for June 20, 2022.

**NEENAH WATER UTILITY
PRODUCTION/UNBILLED WATER REPORT**

**THREE MONTH TOTALS
(1000 GALLONS)**

USAGE PERIOD	RAW WATER	FINISHED WATER	BILLED WATER	WATER LOSS ACCOUNTED	WATER LOSS UNACCOUNTED	% WATER LOSS UNACCOUNTED
CURRENT THREE MONTHS (Jan, Feb,Mar)	303,580	293,240	206,142	67,364	19,734	6.73%
MOST RECENT THREE MONTHS (Dec, Jan, Feb)	302,960	292,450	211,966	67,462	13,022	4.45%
1 YEAR AGO (Jan, Feb,Mar)	278,710	272,750	195,160	37,487	40,103	14.70%

NOTES:

Raw water is the total amount of raw water withdrawn from Lake Winnebago / Fox River during the indicated period.

Finished water is the total amount of water entering the distribution system during the indicated period

Billed water is the total usage during the indicated period.

Water loss accounted includes internal plant usage, estimated loss from known main breaks and service leaks, and hydrant flushing.

Water loss unaccounted is calculated by subtracting the billed water and water loss accounted from the finished water.

**DAILY AVERAGE
(MGD)**

USAGE PERIOD	RAW WATER	FINISHED WATER
Mar, 2022	3.18	3.09
Feb, 2022	3.17	3.06
Feb, 2021	3.13	3.07

Change Order No: 3

Contract: 2-21

Project: Sanitary Sewer, Water Main and Street Construction
Fairview Avenue and Laudan Boulevard

Contractor: Carl Bowers & Sons Construction Company, Inc.
N1844 Maloney Rd
Kaukauna WI 54130

Current Contract: \$1,734,729.00

Change Ordered Herewith:

1. Add: Screenings	\$6,074.00
2. Add: Storm Sewer Rock	\$3,300.00
3. Add: Abandon Storm Sewer on Fairview Avenue	\$2,200.00
4. Add: Sanitary Rock	\$5,500.00
5. Add: Water Main Rock	\$7,700.00
6. Add: Move Inlet on Fairview Avenue	\$2,750.00
7. Add: Rock Removal (Laudan), Core Wall for Water Service (Laudan), Extra Plumbing at 232 Cedar St, and Cut thru frost wall for water service	\$2,500.00
TOTAL	\$30,024.00

Reason for Change:

- _____
- _____
- _____
- _____



Contract Amount

Original: \$1,704,729.00
 Previous C.O.'s (+/-): \$30,000.00
 This C.O. (+/-): \$30,024.00
 Revised: \$1,764,753.00

Contract Time (Calendar Days)

Original: _____
 Previous C.O.'s (+/-): _____
 This C.O. (+/-): _____
 Revised: _____

This document shall become an amendment to the contract and all stipulations and covenants of the contract shall apply hereto.

Contractor: 
 Department: 
 Water Department _____
 (if applicable) _____
 Board of PW: _____

Date: 3/23/2022
 Date: 5-5-2022
 Date: _____
 Date: _____



CARL BOWERS AND SONS CONSTRUCTION CO., INC.
 N1844 MALONEY RD.
 KAUKAUNA, WI 54130
 Telephone: 920-766-2629 • Fax: 920-766-5929

2-21

Neenah's Extras

~~Extra Fairview~~
~~Wtr Landan~~
~~San Fairview~~
~~San Landan~~
~~San Fairview~~
~~San Landan~~

each
 1018.34

Screenings 586.86 x 10. ²⁵ ton =

~~\$6074~~
 \$6003.58 Done

↳ 1/3 each utility

Storm Sewer Rock ^{Done} 3 hrs @ \$1100/hr =

\$3300. ^{1/2} ~~1650~~ Done

Storm-Fairview then Abandoning 2 hrs @ \$1100/hr =

\$2200. Done

Sanitary Rock ^{Done}

5 hrs @ \$1100/hr =

\$5500. ^{Done} ^{1/2} ~~2750.00~~

Water Main Rock ✓

7 hrs @ \$1100/hr =

\$7700. ^{Done} ^{1/2} ~~3850~~

^{Storm} Move Inlet - Fairview

2 1/2 hrs @ \$1100/hr =

\$2750. Done

~~27524.00~~
 \$27453.58

+ 2500.00

29953.58

Thanks,

Extra Plumbing
 on Terry's as built

Rock
San Wtr
 1 1
 1

~~1734729.00~~ 1704729

**City of Neenah
Department of Public Works
Contractor Request for Payment**

Contractor Name: Carl Bowers & Sons Construction Co., Inc.		Contract No. 2-21	
Address N1844 Maloney Rd		Contract Amount \$1,764,753.00	
City Kaukauna WI 54130			
Name of Project	Sanitary, Water Main and Street Construction		
Location of Project	Fairview Avenue and Laudan Boulevard		
Pay Request No.	FINAL	For Period	Octobe 12, 2021-December 31, 2021

CONTRACT SUMMARY	
Original Contract Amount	\$1,704,729.00
Net Amount of Change Order through Change Order No. 1, 2, and 3	\$60,024.00
Adjusted Contract Amount	<u>\$1,764,753.00</u>
WORK PERFORMED TO DATE	
Work Performed to Date	\$1,721,189.23
Less Retainage of 5%. If different indicate here	0.0% \$0.00
Net Amount Earned to Date	\$1,721,189.23
Less Previous Payments	<u>\$1,343,501.76</u>
BALANCE DUE THIS PAYMENT	<u>\$377,687.47</u>

CONTRACT BREAKOUT					
		Due This Estimate	Budget Total	Contract Breakdown	Paid to Date
Sanitary Sewer-Fairview	046-5092-743-0236	\$37,215.15	\$360,000.00	\$220,290.00	\$190,787.85
Sanitary Sewer-Laudan	046-5096-743-0236	\$4,892.40	\$270,000.00	\$160,000.00	\$109,245.60
Water Main-Fairview	400-0000-207-0465	\$9,120.88	\$244,000.00	\$289,370.00	\$234,700.13
Water Main-Laudan	400-0000-207-0472	\$38,344.18	\$155,000.00	\$177,000.00	\$148,167.83
Sludge Line -Fairview	400-0000-207-0466	\$2,124.40	\$138,000.00	\$80,080.00	\$82,851.60
Storm Sewer-Fairview	049-5266-743-0236	\$15,926.90	\$160,000.00	\$79,000.00	\$51,266.40
Storm Sewer-Laudan	049-5269-743-0236	\$775.60	\$100,000.00	\$21,985.00	\$14,736.40
Street Constuction-Fairview	012-4314-743-0236	\$46,302.29	\$330,000.00	\$354,424.00	\$332,508.97
Street Constuction-Laudan	012-4319-743-0236	\$91,389.05	\$207,000.00	\$200,000.00	\$117,898.99
Water Plant Turnaround	400-0000-207-0475	\$100,072.63	\$100,000.00	\$122,580.00	\$32,838.00
CO #1 Water Main Fairview	400-0000-207-0465	\$1,500.00	\$0.00	\$30,000.00	\$28,500.00
CO #2 Water Main Fairview	400-0000-207-0466	\$0.00	\$0.00	\$0.00	\$0.00
CO #3 Sanitary Sewer Fairview	046-5092-743-0236	\$3,762.33	\$0.00	\$0.00	\$0.00
CO #3 Sanitary Sewer Laudan	046-5096-743-0236	\$3,762.33	\$0.00	\$0.00	\$0.00
CO #3 Water Main Fairview	400-0000-207-0465	\$5,362.33	\$0.00	\$0.00	\$0.00
CO #3 Water Main Laudan	400-0000-207-0472	\$6,862.33	\$0.00	\$0.00	\$0.00
CO #3 Storm Fairview	049-5266-743-0236	\$7,612.33	\$0.00	\$0.00	\$0.00
CO #3 Storm Laudan	049-5269-743-0236	\$2,662.33	\$0.00	\$0.00	\$0.00
		<u>\$377,687.47</u>	<u>\$2,064,000.00</u>	<u>\$1,734,729.00</u>	<u>\$1,343,501.76</u>

CERTIFICATION OF CONTRACTOR:	
I certify that the foregoing is just and correct and the amount claimed is legally due after showing all just credits	
Certified by Engineer	Date: 3/23/2022
Certified by Public Works	Date: 5-5-2022
Certified by Water Utility	Date:
Certified by Contractor	Date: 3/23/2022
Approved BPW	Date:
Approved Common Council (Final Payments Only)	Date:

Contract 2-21
Sanitary, Water Main and Street Construction
Fairview Avenue Laudan Boulevard

DESCRIPTION	Original Contract				Change Order No. 3						FINAL PAYMENT					
	Quantity	Unit of Measure	Unit Price	Total	Add/Delete Quantity	Unit Price	Unit Type	New Contract Quantity	New Contract Total	Quantity Completed This Pay Estimate	\$ Completed This Pay Estimate	Retainage Due	Due This Estimate	Previously Paid	Due to Contractor to Date	
Sanitary Sewer																
100	Furnish and Relay 8-inch PVC Sanitary Sewer	2,580	Lin. Ft.	\$50.00	\$129,000.00	0	\$50.00	Lin. Ft.	2,580.00	\$129,000.00	0.00	0.00	\$6,327.50	\$6,327.50	\$120,222.50	\$126,550.00
101	Furnish and Relay 6 inch Sanitary Lateral in ROW (35)	1,000	Lin. Ft.	\$52.00	\$52,000.00	0	\$52.00	Lin. Ft.	1,000.00	\$52,000.00	0.00	0.00	\$1,736.80	\$1,736.80	\$32,999.20	\$34,736.00
102	Furnish and Relay 6 inch Sanitary Lateral ROW to House	100	Lin. Ft.	\$30.00	\$3,000.00	0	\$30.00	Lin. Ft.	100.00	\$3,000.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
103	Furnish and Pipeburst 6-inch Sanitary Lateral (4)	250	Lin. Ft.	\$15.00	\$3,750.00	0	\$15.00	Lin. Ft.	250.00	\$3,750.00	46.00	690.00	\$126.75	\$816.75	\$3,218.25	\$4,035.00
104	Furnish and Pipeburst 4-inch Sanitary Lateral (47)	2,000	Lin. Ft.	\$5.00	\$10,000.00	0	\$5.00	Lin. Ft.	2,000.00	\$10,000.00	-92.00	-460.00	\$348.00	(\$112.00)	\$10,762.00	\$10,650.00
105	Reconnect Sanitary Lateral at Foundation - Pipeburst	4	Each	\$2,000.00	\$8,000.00	0	\$2,000.00	Each	4.00	\$8,000.00	3.00	6,000.00	\$500.00	\$6,500.00	\$11,500.00	\$18,000.00
106	Reconnect Under Basement Floor - Pipeburst	50	Each	\$2,750.00	\$137,500.00	0	\$2,750.00	Each	50.00	\$137,500.00	6.00	16,500.00	\$3,162.50	\$19,662.50	\$87,587.50	\$107,250.00
107	Reconnect Lateral to Wye at Main	3	Each	\$1,000.00	\$3,000.00	0	\$1,000.00	Each	3.00	\$3,000.00	0.00	0.00	\$300.00	\$300.00	\$5,700.00	\$6,000.00
108	Furnish and Install Standard Manhole (10)	77	Ver. Ft.	\$320.00	\$24,640.00	0	\$320.00	Ver. Ft.	77.00	\$24,640.00	0.00	0.00	\$1,276.00	\$1,276.00	\$24,244.00	\$25,520.00
109	Remove Sanitary Manhole	10	Each	\$400.00	\$4,000.00	0	\$400.00	Each	10.00	\$4,000.00	0.00	0.00	\$200.00	\$200.00	\$3,800.00	\$4,000.00
110	Adjust Sanitary Manhole	4	Each	\$600.00	\$2,400.00	0	\$600.00	Each	4.00	\$2,400.00	4.00	2,400.00	\$0.00	\$2,400.00	\$0.00	\$2,400.00
111	Clean and Televiser Sewer (Sanitary only)	1	Lump Sum	\$3,000.00	\$3,000.00	0	\$3,000.00	Lump Sum	1.00	\$3,000.00	1.00	3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00
CO #3	Screenings-Sewer					195.62	\$10.35	Ton	195.62	\$2,024.67	195.62	2,024.67	\$0.00	\$2,024.67	\$0.00	\$2,024.67
CO #3	Rock-Sanitary Sewer					2.00	\$2,750.00	Lump Sum	2.00	\$5,500.00	2.00	5,500.00	\$0.00	\$5,500.00	\$0.00	\$5,500.00
SANITARY TOTAL					\$380,290.00					\$380,290.00		\$35,654.67	\$13,977.55	\$49,632.22	\$300,033.45	\$349,665.67
Water Main																
200	Furnish & Install 16-inch PVC-C-900 Main	440	Lin. Ft.	\$146.00	\$64,240.00	0	\$146.00	Lin. Ft.	440.00	\$64,240.00	0.00	0.00	\$2,029.40	\$2,029.40	\$62,502.60	\$64,532.00
201	Furnish & Install 12-inch PVC-C-900 Main	1,480	Lin. Ft.	\$71.00	\$105,080.00	0	\$71.00	Lin. Ft.	1,480.00	\$105,080.00	0.00	0.00	\$5,264.65	\$5,264.65	\$100,951.35	\$106,216.00
202	Furnish & Install 10-inch PVC-C-900 Main	40	Lin. Ft.	\$100.00	\$4,000.00	0	\$100.00	Lin. Ft.	40.00	\$4,000.00	0.00	0.00	\$5.00	\$5.00	\$195.00	\$200.00
203	Furnish & Install 8-inch PVC C-900 Main	220	Lin. Ft.	\$60.00	\$13,200.00	0	\$60.00	Lin. Ft.	220.00	\$13,200.00	0.00	0.00	\$267.00	\$267.00	\$10,413.00	\$10,680.00
204	Pipeburst & Install 10-inch SDR9 HDPE Force Main	1,430	Lin. Ft.	\$56.00	\$80,080.00	0	\$56.00	Lin. Ft.	1,430.00	\$80,080.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
205	Furnish & Install 16-inch Horizontal Gate Valve w/Box	2	Each	\$10,500.00	\$21,000.00	0	\$10,500.00	Each	2.00	\$21,000.00	0.00	0.00	\$525.00	\$525.00	\$20,475.00	\$21,000.00
206	Furnish & Install 12-inch Valve w/Box	12	Each	\$3,150.00	\$37,800.00	0	\$3,150.00	Each	12.00	\$37,800.00	0.00	0.00	\$866.25	\$866.25	\$33,783.75	\$34,650.00
207	Furnish & Install 10-inch Valve w/Box	2	Each	\$2,600.00	\$5,200.00	0	\$2,600.00	Each	2.00	\$5,200.00	0.00	0.00	\$65.00	\$65.00	\$2,535.00	\$2,600.00
208	Furnish & Install 8-inch Valve w/Box	4	Each	\$1,800.00	\$7,200.00	0	\$1,800.00	Each	4.00	\$7,200.00	0.00	0.00	\$180.00	\$180.00	\$7,020.00	\$7,200.00
209	Furnish & Install 1-inch Service Brass Set	1	Each	\$600.00	\$600.00	0	\$600.00	Each	1.00	\$600.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
210	Furnish & Install 1.25-inch Service Brass Set	55	Each	\$600.00	\$33,000.00	0	\$600.00	Each	55.00	\$33,000.00	0.00	0.00	\$825.00	\$825.00	\$32,175.00	\$33,000.00
211	Furnish & Install 1.25-inch PE Water Service in ROW	1,200	Lin. Ft.	\$35.00	\$42,000.00	0	\$35.00	Lin. Ft.	1,200.00	\$42,000.00	0.00	0.00	\$990.50	\$990.50	\$38,629.50	\$39,620.00
212	Furnish & Install Cathodic Protection to Water Service	15	Each	\$50.00	\$750.00	0	\$50.00	Each	15.00	\$750.00	0.00	0.00	\$20.00	\$20.00	\$780.00	\$800.00
213	Furnish & Install Service from ROW to House by Excavation	100	Lin. Ft.	\$35.00	\$3,500.00	0	\$35.00	Lin. Ft.	100.00	\$3,500.00	0.00	0.00	\$14.88	\$14.88	\$580.13	\$595.00
214	Furnish & Install Service from ROW to House by Excavation in Same Trench as Sanitary Lateral	100	Lin. Ft.	\$35.00	\$3,500.00	0	\$35.00	Lin. Ft.	100.00	\$3,500.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00

Contract 2-21
Sanitary, Water Main and Street Construction
Fairview Avenue Laudan Boulevard

Original Contract						Change Order No. 3					FINAL PAYMENT					
DESCRIPTION	Quantity	Unit of Measure	Unit Price	Total	Add/Delete Quantity	Unit Price	Unit Type	New Contract Quantity	New Contract Total	Quantity Completed This Pay Estimate	\$ Completed This Pay Estimate	Retainage Due	Due This Estimate	Previously Paid	Due to Contractor to Date	
215	Furnish & Install Service from ROW to House by Pulling w/Sanitary Sewer Pipeburst	2,200	Lin. Ft.	\$5.00	\$11,000.00	0	\$5.00	Lin. Ft.	2,200.00	\$11,000.00	509.00	2,545.00	\$81.63	\$2,626.63	\$3,183.38	\$5,810.00
216	Furnish & Install Service from ROW to House by Pulling /Directional Drilling	100	Lin. Ft.	\$40.00	\$4,000.00	0	\$40.00	Lin. Ft.	100.00	\$4,000.00	285.00	11,400.00	\$239.00	\$11,639.00	\$9,321.00	\$20,960.00
217	Water Service Connection to Structure	55	Each	\$500.00	\$27,500.00	0	\$500.00	Each	55.00	\$27,500.00	14.00	7,000.00	\$350.00	\$7,350.00	\$13,650.00	\$21,000.00
218	Water Service Extra Hole (Curb stop connection)	25	Each	\$800.00	\$20,000.00	0	\$800.00	Each	25.00	\$20,000.00	17.00	13,600.00	\$40.00	\$13,640.00	\$1,560.00	\$15,200.00
219	Furnish & Install Hydrant, Lead and Valve	8	Each	\$6,000.00	\$48,000.00	0	\$6,000.00	Each	8.00	\$48,000.00	0.00	0.00	\$1,050.00	\$1,050.00	\$40,950.00	\$42,000.00
220	Furnish & Install 12-inch Live Tap and Valve	1	Each	\$3,000.00	\$3,000.00	0	\$3,000.00	Each	1.00	\$3,000.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
221	Furnish & Install 2-inch Foam Insulation as Required	5,000	sq. ft.	\$1.00	\$5,000.00	0	\$1.00	sq. ft.	5,000.00	\$5,000.00	0.00	0.00	\$21.75	\$21.75	\$848.25	\$870.00
222	Provide Temporary Water Service(s) (Laudan Boulevard)	1	Lump Sum	\$4,000.00	\$4,000.00	0	\$4,000.00	Lump Sum	1.00	\$4,000.00	0.00	0.00	\$100.00	\$100.00	\$3,900.00	\$4,000.00
223	Abandon Hydrant	7	Each	\$400.00	\$2,800.00	0	\$400.00	Each	7.00	\$2,800.00	0.00	0.00	\$50.00	\$50.00	\$1,950.00	\$2,000.00
CO #1	Provide Temporary Water Service(s) (Fairview Avenue)					0	\$30,000.00	Lump Sum	1.00	\$30,000.00	0.00	0.00	\$1,500.00	\$1,500.00	\$28,500.00	\$30,000.00
CO#2	Install 10-Inch C900 PVC Force Main by Open Cut					1,430.00	\$56.00	Lump Sum	1430.00	\$80,080.00	0.00	0.00	\$2,059.40	\$2,059.40	\$80,316.60	\$82,376.00
CO#2	Pipeburst & Install 10-inch SDR9 HDPE Force Main					(1,430)	\$56.00	Lin. Ft.	-1430.00	-\$80,080.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
CO #3	Core Wall For Water Service-Fairview					1.00	\$250.00	Each	1.00	\$250.00	1.00	250.00	\$0.00	\$250.00	\$0.00	\$250.00
CO #3	Extra Plumbing Inside 232 Cedar St-Fairview					1.00	\$250.00	Each	1.00	\$250.00	1.00	250.00	\$0.00	\$250.00	\$0.00	\$250.00
CO #3	Screenings-Watermain					195.62	\$10.35	Ton	195.62	\$2,024.67	195.62	2,024.67	\$0.00	\$2,024.67	\$0.00	\$2,024.67
CO #3	Rock-Watermain					2.00	\$3,850.00	Lump Sum	2.00	\$7,700.00	2.00	7,700.00	\$0.00	\$7,700.00	\$0.00	\$7,700.00
CO #3	Rock Removal-Laudan					2.00	\$500.00	Lump Sum	2.00	\$1,000.00	2.00	1,000.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
CO #3	Cut Thru Frost Wall For Water Service-Laudan					2.00	\$500.00	Lump Sum	2.00	\$1,000.00	2.00	1,000.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
WATERMAIN TOTAL					\$546,450.00					\$546,450.00	\$1,028.62	\$46,769.67	\$16,544.45	\$63,314.12	\$494,219.55	\$557,533.67
Storm Sewer																
300	Furnish and Relay 24-inch Storm Sewer	300	Lin. Ft.	\$60.00	\$18,000.00	0	\$60.00	Lin. Ft.	300.00	\$18,000.00	0.00	0.00	\$861.00	\$861.00	\$16,359.00	\$17,220.00
301	Furnish and Relay 18-inch Storm Sewer	70	Lin. Ft.	\$55.00	\$3,850.00	0	\$55.00	Lin. Ft.	70.00	\$3,850.00	0.00	0.00	\$123.75	\$123.75	\$2,351.25	\$2,475.00
302	Furnish and Relay 12-inch Storm Sewer	245	Lin. Ft.	\$46.00	\$11,270.00	0	\$46.00	Lin. Ft.	245.00	\$11,270.00	0.00	0.00	\$322.00	\$322.00	\$6,118.00	\$6,440.00
303	Furnish and Relay 10-inch Storm Sewer	255	Lin. Ft.	\$45.00	\$11,475.00	0	\$45.00	Lin. Ft.	255.00	\$11,475.00	0.00	0.00	\$735.75	\$735.75	\$14,429.25	\$15,165.00
304	Furnish and Install 6-inch Storm Sewer Lateral (1)	20	Lin. Ft.	\$40.00	\$800.00	0	\$40.00	Lin. Ft.	20.00	\$800.00	0.00	0.00	\$56.00	\$56.00	\$1,064.00	\$1,120.00
305	Furnish and Install 4-inch Storm Sewer Lateral (4)	80	Lin. Ft.	\$39.00	\$3,120.00	0	\$39.00	Lin. Ft.	80.00	\$3,120.00	0.00	0.00	\$222.30	\$222.30	\$4,223.70	\$4,446.00
306	Furnish and Install Storm Manhole (5)	27	Lin. Ft.	\$350.00	\$9,450.00	0	\$350.00	Lin. Ft.	27.00	\$9,450.00	0.00	0.00	\$162.40	\$162.40	\$6,333.60	\$6,496.00
307	Furnish and Install Storm Outlet Structure	2	Each	\$1,400.00	\$2,800.00	0	\$1,400.00	Each	2.00	\$2,800.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
308	Furnish and Install Catch basin	5	Each	\$1,400.00	\$7,000.00	0	\$1,400.00	Each	5.00	\$7,000.00	0.00	0.00	\$420.00	\$420.00	\$7,980.00	\$8,400.00
309	Furnish and Install Sump pump Pit w/ Sanitary Pipeburst	8	Each	\$500.00	\$4,000.00	0	\$500.00	Each	8.00	\$4,000.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
310	Furnish and Install Sump pump Pit (separate)	3	Each	\$750.00	\$2,250.00	0	\$750.00	Each	3.00	\$2,250.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
311	Remove Storm Manhole	4	Each	\$400.00	\$1,600.00	0	\$400.00	Each	4.00	\$1,600.00	0.00	0.00	\$80.00	\$80.00	\$1,520.00	\$1,600.00
312	Remove Storm Catch Basin	5	Each	\$300.00	\$1,500.00	0	\$300.00	Each	5.00	\$1,500.00	0.00	0.00	\$60.00	\$60.00	\$1,140.00	\$1,200.00

Contract 2-21
Sanitary, Water Main and Street Construction
Fairview Avenue Laudan Boulevard

Original Contract						Change Order No. 3					FINAL PAYMENT					
DESCRIPTION	Quantity	Unit of Measure	Unit Price	Total	Add/Delete Quantity	Unit Price	Unit Type	New Contract Quantity	New Contract Total	Quantity Completed	\$ Completed	Retainage Due	Due This Estimate	Previously Paid	Due to Contractor to Date	
										This Pay Estimate	This Pay Estimate					
313	Adjust Storm Manhole	7	Each	\$250.00	\$1,750.00	0	\$250.00	Each	7.00	\$1,750.00	4.00	1,000.00	\$37.50	\$1,037.50	\$712.50	\$1,750.00
314	Adjust Storm Catch Basin	11	Each	\$250.00	\$2,750.00	0	\$250.00	Each	11.00	\$2,750.00	1.00	250.00	\$125.00	\$375.00	\$2,375.00	\$2,750.00
315	Excavate Biofilter #1 and #2	1	Lump Sum	\$4,400.00	\$4,400.00	0	\$4,400.00	Lump Sum	1.00	\$4,400.00	1.00	4,400.00	\$0.00	\$4,400.00	\$0.00	\$4,400.00
316	Furnish and Install Sand	22	Ton	\$20.00	\$440.00	0	\$20.00	Ton	22.00	\$440.00	11.00	220.00	\$0.00	\$220.00	\$0.00	\$220.00
317	Furnish and Install Clear Stone (3/4-inch washed)	160	Ton	\$21.00	\$3,360.00	0	\$21.00	Ton	160.00	\$3,360.00	65.30	1,371.30	\$0.00	\$1,371.30	\$0.00	\$1,371.30
318	Furnish and Install Pea Gravel (3/8-inch washed)	30	Ton	\$24.00	\$720.00	0	\$24.00	Ton	30.00	\$720.00	18.00	432.00	\$0.00	\$432.00	\$0.00	\$432.00
319	Furnish and Install River Rock (3-inch washed)	10	Ton	\$40.00	\$400.00	0	\$40.00	Ton	10.00	\$400.00	2.50	100.00	\$0.00	\$100.00	\$0.00	\$100.00
320	Furnish and Install 6-inch Hard/Perforated Drain Tile	175	Lin. Ft.	\$10.00	\$1,750.00	0	\$10.00	Lin. Ft.	175.00	\$1,750.00	60.00	600.00	\$0.00	\$600.00	\$0.00	\$600.00
321	Furnish and Install 6-inch Storm Sewer Clean-Out	14	Lin. Ft.	\$20.00	\$280.00	0	\$20.00	Lin. Ft.	14.00	\$280.00	5.25	105.00	\$0.00	\$105.00	\$0.00	\$105.00
322	Furnish and Install Engineered Soil	150	Ton	\$37.00	\$5,550.00	0	\$37.00	Ton	150.00	\$5,550.00	135.00	4,995.00	\$0.00	\$4,995.00	\$0.00	\$4,995.00
323	Install and Maintain Type "D" Inlet Protection	21	Each	\$70.00	\$1,470.00	0	\$70.00	Each	21.00	\$1,470.00	-15.00	-1,050.00	\$73.50	(\$976.50)	\$1,396.50	\$420.00
324	Clean and Televiser Sewer (Storm only)	1	Lump Sum	\$1,000.00	\$1,000.00	0	\$1,000.00	Lump Sum	1.00	\$1,000.00	1.00	1,000.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
CO #3	Screenings-Storm					195.62	\$10.35	Ton	195.62	\$2,024.67	195.62	2,024.67	\$0.00	\$2,024.67	\$0.00	\$2,024.67
CO #3	Rock-Storm Sewer					2.00	\$1,650.00	Lump Sum	2.00	\$3,300.00	2.00	3,300.00	\$0.00	\$3,300.00	\$0.00	\$3,300.00
CO #3	Abandon Storm Sewer Fairview					1.00	\$2,200.00	Lump Sum	1.00	\$2,200.00	1.00	2,200.00	\$0.00	\$2,200.00	\$0.00	\$2,200.00
CO #3	Move Storm Inlet-Fairview					1.00	\$2,750.00	Lump Sum	1.00	\$2,750.00	1.00	2,750.00	\$0.00	\$2,750.00	\$0.00	\$2,750.00
STORM TOTAL					\$100,985.00			\$0.00	\$1,626.00	\$100,985.00		\$23,697.97	\$3,279.20	\$26,977.17	\$66,002.80	\$92,979.97
Street																
400	Remove Existing Pavement and Maintain Utility Trench	7,000	Lin. Ft.	\$1.00	\$7,000.00	0	\$1.00	Lin. Ft.	7,000.00	\$7,000.00	3,500.00	3,500.00	\$87.50	\$3,587.50	\$3,412.50	\$7,000.00
401	Sawcut Existing Bituminous Pavement	700	Lin. Ft.	\$2.20	\$1,540.00	0	\$2.20	Lin. Ft.	700.00	\$1,540.00	80.00	176.00	\$34.10	\$210.10	\$1,329.90	\$1,540.00
402	Remove Existing Bituminous Pavement	10,400	Sq. Yd.	\$0.50	\$5,200.00	0	\$0.50	Sq. Yd.	10,400.00	\$5,200.00	0.00	0.00	\$131.88	\$131.88	\$5,143.13	\$5,275.00
403	Remove Concrete Curb and Gutter	3,400	Lin. Ft.	\$0.01	\$34.00	0	\$0.01	Lin. Ft.	3,400.00	\$34.00	130.00	1.30	\$0.81	\$2.11	\$31.62	\$33.74
404	Remove Concrete Sidewalk/Driveway Apron	8,500	Sq. Ft.	\$0.65	\$5,525.00	0	\$0.65	Sq. Ft.	8,500.00	\$5,525.00	-225.50	-146.58	\$251.55	\$104.98	\$9,810.54	\$9,915.52
405	Unclassified Excavation	6,000	Cu. Yd.	\$11.65	\$69,900.00	0	\$11.65	Cu. Yd.	6,000.00	\$69,900.00	-155.00	-1,805.75	\$1,601.88	(\$203.88)	\$62,473.13	\$62,269.25
406	Furnish and Install Geogrid	12,000	Sq. Yd.	\$1.75	\$21,000.00	0	\$1.75	Sq. Yd.	12,000.00	\$21,000.00	474.00	829.50	\$485.19	\$1,314.69	\$18,922.31	\$20,237.00
407	Furnish and Install Crushed Aggregate Base	7,500	Ton	\$8.25	\$61,875.00	0	\$8.25	Ton	7,500.00	\$61,875.00	820.00	6,765.00	\$1,254.00	\$8,019.00	\$48,906.00	\$56,925.00
408	Furnish and Install 7-inch Concrete Pavement	5,150	Sq. Yd.	\$38.00	\$195,700.00	0	\$38.00	Sq. Yd.	5,150.00	\$195,700.00	408.10	15,507.80	\$4,275.00	\$19,782.80	\$166,725.00	\$186,507.80
409	Furnish and Install 30-inch Concrete Curb and Gutter (repair)	600	Lin. Ft.	\$30.00	\$18,000.00	0	\$30.00	Lin. Ft.	600.00	\$18,000.00	69.10	2,073.00	\$520.43	\$2,593.43	\$20,296.58	\$22,890.00
410	Furnish and Install Concrete Flume	1	Each	\$500.00	\$500.00	0	\$500.00	Each	1.00	\$500.00	-1.00	-500.00	\$25.00	(\$475.00)	\$975.00	\$500.00
411	Furnish and Install 4-inch Concrete Sidewalk Repair	5,000	Sq. Ft.	\$6.50	\$32,500.00	0	\$6.50	Sq. Ft.	5,000.00	\$32,500.00	409.05	2,658.83	\$1,599.48	\$4,258.30	\$62,379.70	\$66,638.00
412	Furnish and Install 6-inch Concrete Sidewalk/Driveway Apron Repair	3,500	Sq. Ft.	\$6.00	\$21,000.00	0	\$6.00	Sq. Ft.	3,500.00	\$21,000.00	-545.19	-3,271.14	\$845.58	(\$2,425.56)	\$32,977.56	\$30,552.00
413	Furnish and Install HMA Pavement (4-inch)	1,300	Ton	\$73.00	\$94,900.00	0	\$73.00	Ton	1,300.00	\$94,900.00	1,342.00	97,966.00	\$0.00	\$97,966.00	\$0.00	\$97,966.00
414	Install Detectable Warning Fields (supplied by City)	20	Each	\$50.00	\$1,000.00	0	\$50.00	Each	20.00	\$1,000.00	2.00	100.00	\$25.00	\$125.00	\$975.00	\$1,100.00
415	Terracing, Fertilize, Seed & Hydromulch	1,700	Sq. Yd.	\$7.50	\$12,750.00	0	\$7.50	Sq. Yd.	1,700.00	\$12,750.00	-100.00	-750.00	\$337.50	(\$412.50)	\$13,162.50	\$12,750.00
416	Install and Maintain Traffic Control	1	Lump Sum	\$6,000.00	\$6,000.00	0	\$6,000.00	Lump Sum	1.00	\$6,000.00	0.50	3,000.00	\$112.50	\$3,112.50	\$2,887.50	\$6,000.00

Contract 2-21
Sanitary, Water Main and Street Construction
Fairview Avenue Laudan Boulevard

Original Contract					Change Order No. 3					FINAL PAYMENT						
DESCRIPTION	Quantity	Unit Measure	Unit Price	Total	Add/Delete Quantity	Unit Price	Unit Type	New Contract Quantity	New Contract Total	Quantity Completed This Pay Estimate	\$ Completed This Pay Estimate	Retainage Due	Due This Estimate	Previously Paid	Due to Contractor to Date	
STREET TOTAL									\$554,424.00		\$126,103.96	\$11,587.38	\$137,691.34	\$450,407.96	\$588,099.30	
Water Plant																
WPTS	Furnish and Install 8-inch Storm Sewer	200	Lin. Ft.	\$40.00	\$8,000.00	0	\$40.00	Lin. Ft.	200.00	\$8,000.00	3.00	\$120.00	\$182.00	\$302.00	\$7,098.00	\$7,400.00
WPTS	Furnish and Install Catch Basin	1	Each	\$1,400.00	\$1,400.00	0	\$1,400.00	Each	1.00	\$1,400.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WPTS	Adjust Sewer Manhole	4	Each	\$250.00	\$1,000.00	0	\$250.00	Each	4.00	\$1,000.00	4.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
WPTS	Install and Maintain Type "D" Inlet Protection	2	Each	\$70.00	\$140.00	0	\$70.00	Each	2.00	\$140.00	2.00	\$140.00	\$0.00	\$140.00	\$0.00	\$140.00
WPTW	Furnish and Relay 12-inch PVC C900 Water Main	150	Lin. Ft.	\$90.00	\$13,500.00	0	\$90.00	Lin. Ft.	150.00	\$13,500.00	0.00	\$0.00	\$382.50	\$382.50	\$14,917.50	\$15,300.00
WPTW	Furnish and Install 12-inch MJRW Valve	2	Each	\$3,300.00	\$6,600.00	0	\$3,300.00	Each	2.00	\$6,600.00	0.00	\$0.00	\$247.50	\$247.50	\$9,652.50	\$9,900.00
WPTW	Abandon Meter Pit	1	Each	\$1,200.00	\$1,200.00	0	\$1,200.00	Each	1.00	\$1,200.00	0.00	\$0.00	\$30.00	\$30.00	\$1,170.00	\$1,200.00
WPTST	Remove Existing Bituminous Pavement	1,000	Sq. Yd.	\$0.50	\$500.00	0	\$0.50	Sq. Yd.	1,000.00	\$500.00	1,000.00	\$500.00	\$0.00	\$500.00	\$0.00	\$500.00
WPTST	Remove Concrete Curb and Gutter	260	Lin. Ft.	\$2.00	\$520.00	0	\$2.00	Lin. Ft.	260.00	\$520.00	90.00	\$180.00	\$0.00	\$180.00	\$0.00	\$180.00
WPTST	Remove Concrete Sidewalk/Driveway Apron	300	Sq. Ft.	\$0.60	\$180.00	0	\$0.60	Sq. Ft.	300.00	\$180.00	225.50	\$135.30	\$0.00	\$135.30	\$0.00	\$135.30
WPTST	Unclassified Excavation	1,000	Cu. Yd.	\$14.00	\$14,000.00	0	\$14.00	Cu. Yd.	1,000.00	\$14,000.00	820.00	\$11,480.00	\$0.00	\$11,480.00	\$0.00	\$11,480.00
WPTST	Furnish and Install Geogrid	1,700	Sq. Yd.	\$1.75	\$2,975.00	0	\$1.75	Sq. Yd.	1,700.00	\$2,975.00	1,700.00	\$2,975.00	\$0.00	\$2,975.00	\$0.00	\$2,975.00
WPTST	Furnish and Install Crushed Aggregate Base	700	Ton	\$5.25	\$3,675.00	0	\$5.25	Ton	700.00	\$3,675.00	825.00	\$4,331.25	\$0.00	\$4,331.25	\$0.00	\$4,331.25
WPTST	Furnish and Install 6-inch Bollard	4	Each	\$750.00	\$3,000.00	0	\$750.00	Each	4.00	\$3,000.00	6.00	\$4,500.00	\$0.00	\$4,500.00	\$0.00	\$4,500.00
WPTST	Furnish and Install 30-inch Concrete Curb and Gutter	60	Lin. Ft.	\$40.00	\$2,400.00	0	\$40.00	Lin. Ft.	60.00	\$2,400.00	77.00	\$3,080.00	\$0.00	\$3,080.00	\$0.00	\$3,080.00
WPTST	Furnish and Install 4-inch Concrete Sidewalk Repair	50	Sq. Ft.	\$10.00	\$500.00	0	\$10.00	Sq. Ft.	50.00	\$500.00	614.00	\$6,140.00	\$0.00	\$6,140.00	\$0.00	\$6,140.00
WPTST	Furnish and Install 6-inch Concrete Sidewalk/Driveway	2,000	Sq. Ft.	\$4.00	\$8,000.00	0	\$4.00	Sq. Ft.	2,000.00	\$8,000.00	2,419.00	\$9,676.00	\$0.00	\$9,676.00	\$0.00	\$9,676.00
WPTST	Furnish and Install 7-inch Concrete Sidewalk/Driveway	13,000	Sq. Ft.	\$4.23	\$54,990.00	0	\$4.23	Sq. Ft.	13,000.00	\$54,990.00	12,996.00	\$54,973.08	\$0.00	\$54,973.08	\$0.00	\$54,973.08
Water Plant Turnaround Total									\$122,580.00		\$99,230.63	\$842.00	\$100,072.63	\$32,838.00	\$132,910.63	
											\$331,456.89	\$46,230.58	\$377,687.47	\$1,343,501.76	\$1,721,189.23	

City of Neenah
Department of Public Works
Contractor Request for Payment

Contractor Name: Kruczek Construction, Inc.		Contract No. 1-22	
Address 3636 Kewaunee Rd		Contract Amount \$1,969,969.69	
City Green Bay WI 54311			
Name of Project		Sanitary, Water Main and Street Construction	
Location of Project		Apple Blossom, Fredrick, Green Acres, Honeysuckle, Meadow, Primrose & Wild Rose	
Pay Request No.	2	For Period	April 1 through April 30

CONTRACT SUMMARY

Original Contract Amount	\$1,969,969.69
Net Amount of Change Order	\$0.00
Adjusted Contract Amount	<u>\$1,969,969.69</u>

WORK PERFORMED TO DATE

Work Performed to Date	\$1,654,623.85
Less Retainage of 5%. If different indicate here	\$82,731.19
Net Amount Earned to Date	\$1,571,892.65
Less Previous Payments	\$796,068.81

BALANCE DUE THIS PAYMENT

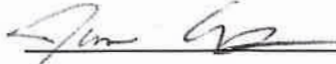


\$775,823.84

CONTRACT BREAKOUT

	Account Numbers	Budget Total	Contract Breakdown	Due This Estimate	Paid to Date
Sanitary Sewer Various Repairs	046-5001-743-0236	\$150,000.00	\$4,694.38	\$0.00	\$68.40
Storm Sewer Fredrick Dr	049-5274-743-0236	\$252,000.00	\$79,630.83	\$80,597.05	\$3,052.35
Water Main Apple Blossom Dr	4000-0000-207-0498	\$230,224.00	\$234,947.19	\$4,784.20	\$230,443.09
Water Main Fredrick Dr	4000-0000-207-0486	\$288,000.00	\$140,538.27	\$0.00	\$153,224.08
Water Main Green Acres Ln	4000-0000-207-0489	\$424,000.00	\$307,641.58	\$276,135.55	\$2,847.15
Water Main Honeysuckle Ln	4000-0000-207-0490	\$424,000.00	\$305,269.90	\$234,332.39	\$0.00
Water Main Meadow Ln	4000-0000-207-0487	\$424,000.00	\$299,213.14	\$62,930.38	\$0.00
Water Main Primrose Ln	4000-0000-207-0491	\$424,000.00	\$287,102.68	\$54,208.90	\$218,241.13
Water Main Wild Rose Ln	4000-0000-207-0488	\$424,000.00	\$310,931.72	\$62,835.38	\$188,192.63
		<u>\$3,040,224.00</u>	<u>\$1,969,969.69</u>	<u>\$775,823.84</u>	<u>\$796,068.81</u>

CERTIFICATION OF CONTRACTOR:

I certify that the foregoing is just and correct and the amount claimed is legally due after showing all just credits

Certified by Engineer		Date: 5/5/22
Certified by Public Works		Date: 5/5/22
Certified by Water Utility		Date: 5/5/2022
Certified by Contrator		Date:
Approved BPW _____		Date:
Approved Common Council (Final Payments Only)		Date:

Contract 1-22
Sewer, Water Main and Street Construction
Apple Blossom, Fredrick, Green Acres, Honeysuckle, Meadow, Primrise and Wild Rose

Item Code	Item Description	UofM	Bid			Pay Estimate No. 1						Pay Estimate No. 2					
			Quantity	Unit Price	Extension	Quantity Completed This Pay Estimate	\$ Completed This Pay Estimate	0.05 Retainage Due	Due This Estimate	Previously Paid	Due to Contractor to Date	Quantity Completed This Pay Estimate	\$ Completed This Pay Estimate	0.05 Retainage Due	Due This Estimate	Previously Paid	Due to Contractor to Date
Sanitary																	
100	Repair 8-Inch Sanitary Sewer (Station 61+94 to Station 62+18)	Lump Sum	1	\$4,600.00	\$4,600.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
					\$4,600.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Water																	
200	Furnish & Install 12-Inch PVC-C-900 Main	Lin. Ft.	1,670	\$112.00	\$187,040.00	1,643.00	\$184,016.00	\$9,200.80	\$174,815.20	\$0.00	\$184,016.00	18.00	\$2,016.00	\$100.80	\$1,915.20	\$174,815.20	\$186,032.00
201	Furnish & Install 8-Inch PVC-C-900 Main	Lin. Ft.	12,800	\$77.50	\$992,000.00	5,843.00	\$452,832.50	\$22,641.63	\$430,190.88	\$0.00	\$452,832.50	5,196.00	\$402,690.00	\$20,134.50	\$382,555.50	\$430,190.88	\$855,522.50
202	Furnish & Install 12-Inch Valve w/Box	Each	5	\$4,300.00	\$21,500.00	5.00	\$21,500.00	\$1,075.00	\$20,425.00	\$0.00	\$21,500.00	0.00	\$0.00	\$0.00	\$0.00	\$20,425.00	\$21,500.00
203	Furnish & Install 8-Inch Valve w/Box	Each	48	\$2,450.00	\$117,600.00	27.00	\$66,150.00	\$3,307.50	\$62,842.50	\$0.00	\$66,150.00	14.00	\$34,300.00	\$1,715.00	\$32,585.00	\$62,842.50	\$100,450.00
204	Furnish & Install Hydrmat, Hydrant Lead and Valve	Each	32	\$7,600.00	\$243,200.00	12.00	\$91,200.00	\$4,560.00	\$86,640.00	\$0.00	\$91,200.00	15.00	\$114,000.00	\$5,700.00	\$108,300.00	\$86,640.00	\$205,200.00
205	Furnish & Install Live Tap and 8-Inch Valve	Each	1	\$5,300.00	\$5,300.00	1.00	\$5,300.00	\$265.00	\$5,035.00	\$0.00	\$5,300.00	0.00	\$0.00	\$0.00	\$0.00	\$5,035.00	\$5,300.00
206	Reconnect 1-Inch Copper Water Services w/Cathodic Protection	Each	255	\$975.00	\$248,625.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	157.00	\$153,075.00	\$7,653.75	\$145,421.25	\$0.00	\$153,075.00
207	Reconnect 2-Inch Copper Water Services w/Cathodic Protection	Each	12	\$1,388.00	\$16,656.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	15.00	\$20,820.00	\$1,041.00	\$19,779.00	\$0.00	\$20,820.00
208	Abandon Hydrant	Each	26	\$308.00	\$8,008.00	2.00	\$616.00	\$30.80	\$585.20	\$0.00	\$616.00	5.00	\$1,540.00	\$77.00	\$1,463.00	\$585.20	\$2,156.00
209	Abandon Valve Box/Manhole	Each	32	\$244.00	\$7,808.00	8.00	\$1,952.00	\$97.60	\$1,854.40	\$0.00	\$1,952.00	4.00	\$976.00	\$48.80	\$927.20	\$1,854.40	\$2,928.00
					\$1,847,737.00		\$823,566.50	\$41,178.33	\$782,388.18	\$0.00	\$823,566.50		\$729,417.00	\$36,470.85	\$692,946.15	\$782,388.18	\$1,552,983.50
Storm																	
300	Furnish & Relay 10-Inch Storm Sewer	Lin. Ft.	300	\$54.00	\$16,200.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	457.00	\$24,678.00	\$1,233.90	\$23,444.10	\$0.00	\$24,678.00
301	Furnish & Install 4-Inch Storm Sewer Lateral (20)	Lin. Ft.	1,000	\$34.00	\$34,000.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	554.00	\$18,836.00	\$941.80	\$17,894.20	\$0.00	\$18,836.00
302	Furnish & Install Catch Basin	Each	10	\$1,875.00	\$18,750.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	19.00	\$35,625.00	\$1,781.25	\$33,843.75	\$0.00	\$35,625.00
303	Remove Storm Catch Basin	Each	10	\$300.00	\$3,000.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	19.00	\$5,700.00	\$285.00	\$5,415.00	\$0.00	\$5,700.00
304	Install and Maintain Type "D" Inlet Protection	Each	76	\$80.00	\$6,080.00	25.00	\$2,000.00	\$100.00	\$1,900.00	\$0.00	\$2,000.00	0.00	\$0.00	\$0.00	\$0.00	\$1,900.00	\$2,000.00
					\$78,030.00		\$2,000.00	\$100.00	\$1,900.00	\$0.00	\$2,000.00		\$84,839.00	\$4,241.95	\$80,597.05	\$1,900.00	\$86,839.00
Street																	
400	Remove Existing Pavement and Maintain Utility Trench	Lin. Ft.	15,000	\$2.00	\$30,000.00	5,000.00	\$10,000.00	\$500.00	\$9,500.00	\$0.00	\$10,000.00	0.00	\$0.00	\$0.00	\$0.00	\$9,500.00	\$10,000.00
401	Install and Maintain Traffic Control	Lump Sum	1	\$9,602.69	\$9,602.69	0.25	\$2,400.67	\$120.03	\$2,280.64	\$0.00	\$2,400.67	0.25	\$2,400.67	\$120.03	\$2,280.64	\$2,280.64	\$4,801.35
					\$39,602.69		\$12,400.67	\$620.03	\$11,780.64	\$0.00	\$12,400.67		\$2,400.67	\$120.03	\$2,280.64	\$11,780.64	\$14,801.35
	Total Bid				\$1,969,969.69		\$837,967.17	\$41,898.36	\$796,068.81	\$0.00	\$837,967.17		\$816,656.67	\$40,832.83	\$775,823.84	\$796,068.81	\$1,654,623.85