

KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Statements of Net Position	3
Statements of Revenues, Expenses, and Changes in Net Position	4
Statements of Cash Flows	5
Notes to Financial Statements	6-9

SUPPLEMENTARY INFORMATION

Schedules of Operating Revenues	10
Allocated Schedule of Net Operating Income	11
Allocation of 2018 Revenues	12
Allocation of 2018 Expenses	13
Allocation of 2018 Expenses, Excluding Overhead Items	14
Plant Asset Allocation	15
Allocated Ratio of Operating Income to Average Investment in Net Plant and Inventory	16
Water Volume Statistics	17



Erickson & Associates, S.C.

Certified Public Accountants

1000 West College Avenue • Appleton, Wisconsin 54914 • (920) 733-4957 • FAX (920) 733-6221
255 South Main Street • Fond du Lac, Wisconsin 54935 • (920) 921-4189 • FAX (920) 923-1149
www.erickson-cpas.com

INDEPENDENT AUDITOR'S REPORT

President and Board Members
Kimberly Water Department
Kimberly, Wisconsin

We have audited the accompanying financial statements of the Kimberly Water Department as of and for the years ended December 31, 2018 and 2017, which collectively comprise the Water Department financial statements and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Water Department as of December 31, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Kimberly Water Department and do not purport to, and do not present fairly the financial position of the Village of Kimberly and the results of its operations in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

The Water Department has not presented the management's discussion and analysis or budgetary comparison information that generally accepted accounting principles in the United States of America have determined is necessary to supplement, though not required to be part of, the basic financial statements.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Water Department's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary schedules are the responsibility of management and were derived from and relate 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, 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 procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly presented in all material respects in relation to the financial statements as a whole.

Ericksen & Associates, S.C.

ERICKSON & ASSOCIATES, S.C.

Appleton, Wisconsin

May 31, 2019

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

STATEMENTS OF NET POSITION

December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash and temporary investments	\$ 671,003	\$ 748,048
Accounts receivable:		
Customers	332,864	286,338
Taxes receivable	28,612	28,385
Material and supplies inventory	33,163	61,883
Total current assets	<u>1,065,642</u>	<u>1,124,654</u>
Utility plant:		
Utility plant in service	10,772,229	10,107,163
Less accumulated depreciation	<u>3,707,834</u>	<u>3,457,454</u>
Net utility plant in service	<u>7,064,395</u>	<u>6,649,709</u>
Other assets:		
Special assessments	<u>755</u>	<u>755</u>
Total assets	<u>8,130,792</u>	<u>7,775,118</u>
 LIABILITIES		
Current liabilities:		
Notes payable - due within one year	132,000	129,000
Accounts payable	156,531	44,574
Other current liabilities	17,908	9,164
Accrued interest	<u>3,743</u>	<u>4,628</u>
Total current liabilities	310,182	187,366
Notes payable	414,000	546,000
DEFERRED INFLOWS OF RESOURCES		
Deferred special assessments	<u>755</u>	<u>755</u>
Total liabilities	<u>724,937</u>	<u>734,121</u>
NET POSITION		
Invested in capital assets, net of related debt	6,518,395	5,974,709
Unrestricted	<u>887,460</u>	<u>1,066,288</u>
Total net position	<u>\$ 7,405,855</u>	<u>\$ 7,040,997</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended December 31,

	<u>2018</u>	<u>2017</u>
Operating revenues	\$ 1,519,341	\$ 1,479,737
Operating expenses:		
General	692,522	588,204
Maintenance	362,965	232,870
Depreciation	272,727	268,035
Taxes	<u>3,709</u>	<u>4,262</u>
Total operating expenses	<u>1,331,923</u>	<u>1,093,371</u>
Operating income	<u>187,418</u>	<u>386,366</u>
Other income (expense):		
Interest income	8,859	5,216
Interest expense	<u>(17,678)</u>	<u>(21,164)</u>
Total other expense	<u>(8,819)</u>	<u>(15,948)</u>
Income before transfers	178,599	370,418
Operating transfer (out)	<u>(150,300)</u>	<u>(161,702)</u>
Income before contributions	28,299	208,716
Capital contributions	<u>336,559</u>	<u>139,733</u>
Change in net position	364,858	348,449
Net position, beginning of year (as restated)	<u>7,040,997</u>	<u>6,692,548</u>
Net position, end of year	<u><u>\$ 7,405,855</u></u>	<u><u>\$ 7,040,997</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,162,063	\$ 1,187,664
Cash received from interfund services provided	310,525	309,877
Cash paid to suppliers of goods and services	(533,559)	(652,771)
Cash paid to employees for services	(362,965)	(232,870)
	<u>576,064</u>	<u>611,900</u>
Cash flows from noncapital financing activities:		
Tax equivalent paid to municipality	(150,300)	(161,702)
Cash flows from capital and related financing activities:		
Purchases of property and equipment	(364,105)	(293,863)
Payment on notes payable	(129,000)	(126,000)
Cash paid for interest costs incurred	(18,563)	(22,028)
	<u>(661,968)</u>	<u>(603,593)</u>
Net cash used in noncapital, capital, and related financing activities		
Cash flows from investing activities:		
Cash received for interest earned	<u>8,859</u>	<u>5,216</u>
Net increase (decrease) in cash and cash equivalents	(77,045)	13,523
Cash and cash equivalents, beginning of year	<u>748,048</u>	<u>734,525</u>
Cash and cash equivalents, end of year	<u>\$ 671,003</u>	<u>\$ 748,048</u>
Noncash capital and related financing activities:		
Contributions in aid of construction	<u>\$ 336,559</u>	<u>\$ 139,733</u>

**RECONCILIATIONS OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

For the Years Ended December 31,

	2018	2017
Operating income	\$ 187,418	\$ 386,366
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	272,727	268,035
Depreciation - Sewer Fund	13,251	12,335
(Increase) decrease in:		
Accounts receivable:		
Customers	(46,526)	14,998
Taxes receivable	(227)	2,806
Materials and supplies inventory	28,720	(31,366)
Increase (decrease) in:		
Accounts payable	111,957	(41,015)
Other current liabilities	8,744	(259)
Net cash provided by operating activities	\$ 576,064	\$ 611,900

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies:

Operating Entity

The Kimberly Water Department (Water Department) is an enterprise fund of the Village of Kimberly. The Water Department provides municipal water service and is responsible for the construction and maintenance of the water utility plant.

Basis of Accounting

The Water Department prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Accounts Receivable

The accounts receivable balance is thought to be collectible and no provision has been made for bad debts. Delinquent accounts receivable are collected by special assessments on the subsequent year's property tax roll.

Utility Plant in Service

The Utility Plant is recorded at cost and plant retirements are removed from the plant accounts and from the depreciation reserve account with the assumption that they are fully depreciated.

Depreciation is calculated based on the allowable rate authorized by the PSC for each class of assets.

Inventory

Inventory is calculated using the lower of cost or market basis and the first-in, first-out (FIFO) method.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Water Department considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Operating Transfer

The account balance consists of the balance of a real estate tax equivalent transferred to the Village of Kimberly.

Deferred Outflows / Inflows of Resources

The Water Department implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended December 31, 2013. In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and, therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The Water Department does not have any items that qualify for reporting in this category.

Deferred inflows of resources represent 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 time. The Water Department has one item that qualifies for reporting in this category; deferred special assessments. This amount will be recognized as an inflow of resources in a subsequent year.

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 2. Cash and Temporary Investments:

Cash and investments of the Water Department are subject to various risks. Presented below is a discussion of specific risks and the Department's policy related to each risk.

The Water Department is required to invest its funds in accordance with Wisconsin Statute 66.0603 (1m). The Water Department has adopted an investment policy pursuant to these statutes that allows it to invest in the following:

Time deposits

Securities guaranteed by the U. S. Government

Securities of Wisconsin Municipal Units

Securities of Wisconsin Educational and Local Government Investment Pool

Bonds issued by a local exposition district

Bonds issued by a local professional baseball park district

Bonds issued by a local professional stadium district

Bonds issued by the University of Wisconsin Hospitals and Clinics Authority

Bonds issued by a local cultural arts district

Bonds issued by the Wisconsin Aerospace Authority

Securities which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired and received the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, or other similar nationally recognized rating agency

Securities of an open-ended management investment company or investment trust, if the investment company does not charge a sales load, is registered under the Investment Company Act of 1940, and the portfolio is limited to bonds and securities issued by the federal government, bonds that are guaranteed by the federal government, or repurchase securities that are fully collateralized by bonds or securities

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Deposits in credit unions are insured by the National Credit Union Administration (NCUA) in the amount of \$250,000 per official custodian for interest bearing accounts and unlimited amounts for non-interest bearing accounts. In addition, the State of Wisconsin has a State Guarantee Fund that provides a maximum of \$400,000 per entity above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 3. Changes in Capital Assets:

	Beginning Balance	Additions	Reductions	Ending Balance
Wells and springs (restated)	\$ 1,258,831	\$ --	\$ --	\$ 1,258,831
Structures and improvements	1,020,995	--	--	1,020,995
Electric pumping equipment (restated)	965,183	193,892	--	1,159,075
Other pumping equipment	27,597	--	--	27,597
Water treatment equipment	437,532	--	--	437,532
Reservoirs and standpipes	756,750	--	--	756,750
Mains	3,749,597	347,872	14,410	4,083,059
Services	849,929	94,574	8,377	936,126
Meters	485,386	1,366	8,411	478,341
Hydrants	338,724	62,960	4,400	397,284
Other equipment	152,023	--	--	152,023
Nondepreciable assets	64,616	--	--	64,616
Totals	<u>10,107,163</u>	<u>700,664</u>	<u>35,598</u>	<u>10,772,229</u>
Accumulated depreciation:				
Wells and springs (restated)	552,848	36,506	--	589,354
Structures and improvements	403,297	38,876	--	442,173
Electric pumping equipment	419,115	42,468	--	461,583
Other pumping equipment	13,974	1,214	--	15,188
Water treatment equipment	197,659	17,502	--	215,161
Reservoirs and standpipes	276,347	14,378	--	290,725
Mains	1,054,092	53,080	14,410	1,092,762
Services	258,826	27,148	8,377	277,597
Meters	117,708	26,309	8,411	135,606
Hydrants	81,158	8,739	4,400	85,497
Other equipment	82,430	19,758	--	102,188
Totals	<u>3,457,454</u>	<u>285,978</u>	<u>35,598</u>	<u>3,707,834</u>
Capital assets, net	<u>\$ 6,649,709</u>	<u>\$ 414,686</u>	<u>\$ --</u>	<u>\$ 7,064,395</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 4. Notes Payable:

Notes payable consist of the Water Department paying the general fund for repayment of a bond payable. Payments of principal and interest with a fixed interest rate of 2.75% are due annually on October 1st until 2022.

Notes payable to the general fund are as follows:

	<u>2018</u>	<u>2017</u>
Balance - January 1,	\$ 675,000	\$ 801,000
Proceeds	--	--
Repayments	(129,000)	(126,000)
Balance - December 31,	<u>\$ 546,000</u>	<u>\$ 675,000</u>

<i>Year ending December 31,</i>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2019	\$ 132,000	\$ 15,015	\$ 147,015
2020	135,000	11,385	146,385
2021	138,000	7,673	145,673
2022	141,000	3,877	144,877
Totals	<u>\$ 546,000</u>	<u>\$ 37,950</u>	<u>\$ 583,950</u>

Note 5. Subsequent Events:

The Water Department has evaluated all subsequent events through May 30, 2019, the date on which the financial statements were available to be issued.

Note 6. Prior Period Adjustment:

The Water Department was in the process of undergoing a full-blown rate increase through the Wisconsin Public Service Commission (PSC) during 2018. During the course of reviewing the application for the rate increase, the PSC reviewed prior PSC reports filed with their agency. Upon completion of the review, they requested \$251,518 in previously capitalized assets to be expensed and \$20,027 in accumulated depreciation to be reversed. The Water Department agreed to make the change.

The effect of the Water Department making a prior period adjustment resulted in the restatement of the District's net position as of January 1, 2018, as follows:

Total net position as previously reported in the statement of activities	\$ 6,924,039
Fixed asset changes	<u>(231,491)</u>
Total net position at end of year	<u>\$ 6,692,548</u>

SUPPLEMENTARY INFORMATION

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

SCHEDULES OF OPERATING REVENUES

For the Years Ended December 31,

	<u>2018</u>	<u>2017</u>
Residential water	\$ 425,146	\$ 406,572
Industrial water	35,686	48,120
Sprinklers	33,869	34,577
Public fire protection:		
Kimberly	248,829	248,181
Combined Locks	30,848	30,848
Darboy	30,848	30,848
Commercial	70,319	75,683
Multi-family	34,930	42,370
Public authority	15,341	14,510
Sales for resale - Combined Locks	173,362	143,229
Sales for resale - Darboy	314,556	289,800
Forfeited discounts	14,113	15,576
Miscellaneous income	<u>91,494</u>	<u>99,423</u>
 Total operating revenues	 <u><u>\$ 1,519,341</u></u>	 <u><u>\$ 1,479,737</u></u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

**ALLOCATED SCHEDULE OF NET OPERATING INCOME
December 31, 2018**

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Revenue	\$ 1,519,341	\$ 969,727	\$ 204,210	\$ 345,404
Operating expenses per allocation schedule	<u>1,482,223</u>	<u>965,394</u>	<u>233,749</u>	<u>283,080</u>
	37,118	4,333	(29,539)	62,324
Nonoperating items per PSC:				
Other revenue	(5,881)	(5,881)		
Depreciation on contributed assets	25,237	25,237	--	--
PILOT calculated vs paid difference	<u>2,669</u>	<u>2,669</u>	<u>--</u>	<u>--</u>
Net operating income	<u>\$ 59,143</u>	<u>\$ 26,358</u>	<u>\$ (29,539)</u>	<u>\$ 62,324</u>
Percentage of revenue	<u>3.89 %</u>	<u>2.72 %</u>	<u>-14.47 %</u>	<u>18.04 %</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

ALLOCATION OF 2018 REVENUES

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Residential soft water	\$ 425,146	\$ 425,146	\$ --	\$ --
Industrial soft water	35,686	35,686	--	--
Sprinklers	33,869	33,869	--	--
Public fire protection:				
Kimberly	248,829	248,829	--	--
Combined Locks	30,848	--	30,848	--
Darboy	30,848	--	--	30,848
Commercial sales	70,319	70,319	--	--
Multi-family	34,930	34,930	--	--
Public sales	15,341	15,341	--	--
Sales for resale	487,918	--	173,362	314,556
Forfeited discounts	14,113	14,113	--	--
Miscellaneous	91,494	91,494	--	--
Total revenues	<u>\$ 1,519,341</u>	<u>\$ 969,727</u>	<u>\$ 204,210</u>	<u>\$ 345,404</u>
Allocation percentages	<u>100.00 %</u>	<u>63.83 %</u>	<u>13.44 %</u>	<u>22.73 %</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

ALLOCATION OF 2018 EXPENSES

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Totals from allocation of nonoverhead expenses:				
Direct allocation	\$ 193,463	\$ 193,463	\$ --	\$ --
Soft water allocation	<u>1,105,051</u>	<u>650,999</u>	<u>205,407</u>	<u>248,645</u>
Totals	<u>1,298,514</u>	<u>844,462</u>	<u>205,407</u>	<u>248,645</u>
 Percentage allocated	<u>100.00 %</u>	<u>65.03 %</u>	<u>15.82 %</u>	<u>19.15 %</u>
 Overhead expenses:				
Administration and commission salaries	73,900	48,647	11,401	13,852
Office supplies and expense	39,098	25,737	6,032	7,329
Outside services	17,500	11,520	2,700	3,280
Miscellaneous general	39,972	26,313	6,167	7,492
Water testing	2,937	1,933	453	551
Transportation	<u>10,302</u>	<u>6,782</u>	<u>1,589</u>	<u>1,931</u>
Total overhead allocated per other costs	<u>183,709</u>	<u>120,932</u>	<u>28,342</u>	<u>34,435</u>
 Total expenses allocated	<u>\$ 1,482,223</u>	<u>\$ 965,394</u>	<u>\$ 233,749</u>	<u>\$ 283,080</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

ALLOCATION OF 2018 EXPENSES, EXCLUDING OVERHEAD ITEMS

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Operating expenses:				
Fuel and power-pump house #1	\$ 58,161	\$ 26,946	\$ 14,092	\$ 17,123
Fuel and power-pump house #2	20,735	9,607	5,024	6,104
Fuel and power-pump house #3	77,010	35,679	18,660	22,671
Operating supplies-pump house #1	1,475	683	357	435
Operating supplies-pump house #2	550	255	133	162
Operating supplies-pump house #3	424	196	103	125
Operating labor - treatment	19,540	9,053	4,735	5,752
Chemicals - pump house #1	77,756	36,024	18,840	22,892
Chemicals - pump house #2	63,083	29,226	15,285	18,572
Chemicals - pump house #3	89,115	41,287	21,593	26,235
Property insurance	20,000	15,356	2,096	2,548
Employee benefits	69,456	32,179	16,829	20,448
Maintenance expenses:				
Pumping - #1 deep well	78,692	36,458	19,067	23,167
Pumping - #2 deep well	6,447	2,987	1,562	1,898
Pumping - #3 deep well	17,258	7,996	4,182	5,080
Treatment - #1	20,429	9,465	4,950	6,014
Treatment - #2	3,511	1,627	851	1,033
Treatment - #3	4,242	1,965	1,028	1,249
Treatment - labor	38,159	17,679	9,246	11,234
Telemetry	2,130	987	516	627
Elevated & storage tanks	7,775	3,602	1,884	2,289
Mains	141,447	141,447	--	--
Services	20,191	19,818	86	287
Meters	20,288	18,294	665	1,329
Hydrants	13,904	13,904	--	--
Other expenses:				
Taxes - tax equivalent	150,300	135,270	7,515	7,515
Taxes - payroll	3,709	1,718	899	1,092
Depreciation	<u>272,727</u>	<u>194,754</u>	<u>35,209</u>	<u>42,764</u>
Total expenses	<u><u>\$ 1,298,514</u></u>	<u><u>\$ 844,462</u></u>	<u><u>\$ 205,407</u></u>	<u><u>\$ 248,645</u></u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

**PLANT ASSET ALLOCATION
December 31, 2018**

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Total station plant:				
Wells and springs	\$ 1,258,831	\$ 583,216	\$ 305,015	\$ 370,600
Structures and improvements	1,020,995	473,027	247,387	300,581
Electric pumping equipment	1,159,075	536,999	280,844	341,232
Other pumping equipment	27,597	12,786	6,687	8,124
Water treatment equipment	437,532	202,709	106,014	128,809
Totals	<u>3,904,030</u>	<u>1,808,737</u>	<u>945,947</u>	<u>1,149,346</u>
Common system utility plant:				
Distribution reservoirs and standpipes	756,750	350,602	183,361	222,787
Mains	4,083,059	4,083,059	--	--
Services	936,126	936,126	--	--
Meters	478,341	478,341	--	--
Hydrants	397,284	397,284	--	--
Totals	<u>6,651,560</u>	<u>6,245,412</u>	<u>183,361</u>	<u>222,787</u>
Common system - other assets:				
Office equipment	5,730	5,730	--	--
Computer equipment	21,428	21,428	--	--
Transportation equipment	86,158	86,158	--	--
Shop equipment	6,891	6,891	--	--
Miscellaneous equipment	31,816	31,816	--	--
Totals	<u>152,023</u>	<u>152,023</u>	<u>--</u>	<u>--</u>
Total depreciable assets	<u>10,707,613</u>	<u>8,206,172</u>	<u>1,129,308</u>	<u>1,372,133</u>
Depreciable asset allocation	<u>100.00 %</u>	<u>76.64 %</u>	<u>10.55 %</u>	<u>12.81 %</u>
Nondepreciable assets:				
Organizational costs	1,819	1,819	--	--
Land, land rights, etc.	62,797	62,797	--	--
Total nondepreciable assets	<u>64,616</u>	<u>64,616</u>	<u>--</u>	<u>--</u>
Total plant assets	<u>\$ 10,772,229</u>	<u>\$ 8,270,788</u>	<u>\$ 1,129,308</u>	<u>\$ 1,372,133</u>
Total asset allocation	<u>100.00 %</u>	<u>76.78 %</u>	<u>10.48 %</u>	<u>12.74 %</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

**ALLOCATED RATIO OF OPERATING INCOME TO AVERAGE
INVESTMENT IN NET PLANT AND INVENTORY**

December 31, 2018

	Totals	Soft Water Kimberly	Soft Water Combined Locks	Soft Water Darboy
Average utility plant in service*	\$ 9,045,836	\$ 6,528,931	\$ 1,136,289	\$ 1,380,616
Deductions:				
Average accumulated depreciation*	3,039,682	2,194,042	381,784	463,855
Totals	6,006,154	4,334,889	754,505	916,761
Add average inventory	47,523	47,523	--	--
Less regulatory liability	(76,604)	(76,604)	--	--
Average net investment in plant, materials and supplies	\$ 5,977,073	\$ 4,305,808	\$ 754,505	\$ 916,761
Current year utility operating income	\$ 59,143	\$ 26,358	\$ (29,539)	\$ 62,324
Ratio of operating income to average net investment	0.99 %	0.61 %	-3.92 %	6.80 %

* Does not include contributed assets

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

**WATER VOLUME STATISTICS
December 31, 2018**

	Totals	
	Gallons (000's)	%
Total water pumped	391,644	
Less: unmetered system usage	31,032	
Water pumped into the system	360,612	
Water sold:		
Metered sales - Kimberly:		
Residential	84,725	25.50
Industrial	10,727	3.23
Commercial	19,987	6.01
Multi-family	12,203	3.67
Public	3,967	1.19
Total metered sales - Kimberly	131,609	39.60
Wholesale sales:		
Combined Locks	71,305	21.46
Darboy	129,379	38.93
Total wholesale sales	200,684	60.39
Total sold	332,293	100.00 %
Lost in the system:		
Total pumped into the system	360,612	
Water pumped into the system but not sold	--	
Total sold	332,293	
Water pumped but not accounted for	28,319	7.85 %