

**KIMBERLY WATER DEPARTMENT**  
**KIMBERLY, WISCONSIN**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**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 2017 Revenues	12
Allocation of 2017 Expenses	13
Allocation of 2017 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](http://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, 2017 and 2016, 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, 2017 and 2016, 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.

## 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.

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.

*Erickson & Associates, S.C.*

ERICKSON & ASSOCIATES, S.C.  
Appleton, Wisconsin  
June 4, 2018



**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

**STATEMENTS OF NET POSITION**

December 31,

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets:		
Cash and temporary investments	\$ 748,048	\$ 734,525
Accounts receivable:		
Customers	286,338	301,336
Taxes receivable	28,385	31,191
Material and supplies inventory	61,883	30,517
Total current assets	<u>1,124,654</u>	<u>1,097,569</u>
Utility plant:		
Utility plant in service	10,358,681	9,979,200
Less accumulated depreciation	<u>3,477,481</u>	<u>3,251,226</u>
Net utility plant in service	<u>6,881,200</u>	<u>6,727,974</u>
Other assets:		
Special assessments	<u>755</u>	<u>755</u>
Total assets	<u>8,006,609</u>	<u>7,826,298</u>
 <b>LIABILITIES</b>		
Current liabilities:		
Notes payable - due within one year	129,000	126,000
Accounts payable	44,574	85,589
Other current liabilities	9,164	9,423
Accrued interest	<u>4,628</u>	<u>5,492</u>
Total current liabilities	187,366	226,504
Notes payable	546,000	675,000
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred special assessments	<u>755</u>	<u>755</u>
Total liabilities	<u>734,121</u>	<u>902,259</u>
 <b>NET POSITION</b>		
Invested in capital assets, net of related debt	6,206,200	5,926,974
Unrestricted	<u>1,066,288</u>	<u>997,065</u>
Total net position	<u>\$ 7,272,488</u>	<u>\$ 6,924,039</u>

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

**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

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

	<u>2017</u>	<u>2016</u>
Operating revenues	\$ 1,479,737	\$ 1,515,009
Operating expenses:		
General	588,204	614,188
Maintenance	232,870	280,194
Depreciation	268,035	256,176
Taxes	<u>4,262</u>	<u>3,545</u>
Total operating expenses	<u>1,093,371</u>	<u>1,154,103</u>
Operating income	<u>386,366</u>	<u>360,906</u>
Other income (expense):		
Interest income	5,216	3,192
Interest expense	<u>( 21,164)</u>	<u>( 24,567)</u>
Total other expense	<u>( 15,948)</u>	<u>( 21,375)</u>
Income before transfers	370,418	339,531
Operating transfer (out)	<u>( 161,702)</u>	<u>( 154,290)</u>
Income before contributions	208,716	185,241
Capital contributions	<u>139,733</u>	<u>--</u>
Change in net position	348,449	185,241
Net position, beginning of year	<u>6,924,039</u>	<u>6,738,798</u>
Net position, end of year	<u><u>\$ 7,272,488</u></u>	<u><u>\$ 6,924,039</u></u>

**KIMBERLY WATER DEPARTMENT**  
**KIMBERLY, WISCONSIN**

**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31,

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,187,664	\$ 1,206,582
Cash received from interfund services provided	309,877	309,486
Cash paid to suppliers of goods and services	( 652,771)	( 522,704)
Cash paid to employees for services	( 232,870)	( 280,194)
Net cash provided by operating activities	<u>611,900</u>	<u>713,170</u>
Cash flows from noncapital financing activities:		
Tax equivalent paid to municipality	( 161,702)	( 154,290)
Cash flows from capital and related financing activities:		
Purchases of property and equipment	( 293,863)	( 197,367)
Payment on notes payable	( 126,000)	( 123,000)
Cash paid for interest costs incurred	( 22,028)	( 25,410)
Net cash used in noncapital, capital, and related financing activities	<u>( 603,593)</u>	<u>( 500,067)</u>
Cash flows from investing activities:		
Cash received for interest earned	<u>5,216</u>	<u>3,192</u>
Net increase (decrease) in cash and cash equivalents	13,523	216,295
Cash and cash equivalents, beginning of year	<u>734,525</u>	<u>518,230</u>
Cash and cash equivalents, end of year	<u><u>\$ 748,048</u></u>	<u><u>\$ 734,525</u></u>
Noncash capital and related financing activities:		
Contributions in aid of construction	<u><u>\$ 139,733</u></u>	<u><u>\$ - -</u></u>

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

For the Years Ended December 31,

	<u>2017</u>	<u>2016</u>
Operating income	\$ 386,366	\$ 360,906
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	268,035	256,176
Depreciation - Sewer Fund	12,335	11,577
(Increase) decrease in:		
Accounts receivable:		
Customers	14,998	( 1,822)
Taxes receivable	2,806	2,881
Materials and supplies inventory	( 31,366)	21,850
Increase (decrease) in:		
Accounts payable	( 41,015)	63,189
Other current liabilities	<u>( 259)</u>	<u>( 1,587)</u>
Net cash provided by operating activities	<u>\$ 611,900</u>	<u>\$ 713,170</u>

**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	\$ 1,284,076	\$ 157,126	\$ --	\$ 1,441,202
Structures and improvements	1,020,995	--	--	1,020,995
Electric pumping equipment	1,034,330	--	--	1,034,330
Other pumping equipment	27,597	--	--	27,597
Water treatment equipment	437,532	--	--	437,532
Reservoirs and standpipes	756,750	--	--	756,750
Mains	3,668,222	81,375	--	3,749,597
Services	815,171	36,125	1,367	849,929
Meters	430,278	88,511	33,403	485,386
Hydrants	304,176	36,548	2,000	338,724
Other equipment	135,457	33,911	17,345	152,023
Nondepreciable assets	64,616	--	--	64,616
Totals	<u>9,979,200</u>	<u>433,596</u>	<u>54,115</u>	<u>10,358,681</u>
Accumulated depreciation:				
Wells and springs	531,080	41,795	--	572,875
Structures and improvements	370,625	32,672	--	403,297
Electric pumping equipment	373,604	45,511	--	419,115
Other pumping equipment	12,760	1,214	--	13,974
Water treatment equipment	180,158	17,501	--	197,659
Reservoirs and standpipes	261,969	14,378	--	276,347
Mains	1,005,345	48,747	--	1,054,092
Services	235,546	24,647	1,367	258,826
Meters	124,415	26,696	33,403	117,708
Hydrants	75,706	7,452	2,000	81,158
Other equipment	80,018	19,757	17,345	82,430
Totals	<u>3,251,226</u>	<u>280,370</u>	<u>54,115</u>	<u>3,477,481</u>
Capital assets, net	<u>\$ 6,727,974</u>	<u>\$ 153,226</u>	<u>\$ --</u>	<u>\$ 6,881,200</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 1<sup>st</sup> until 2022.

Notes payable to the general fund are as follows:

	<u>2017</u>	<u>2016</u>
Balance - January 1,	\$ 801,000	\$ 924,000
Proceeds	--	--
Repayments	( 126,000)	( 123,000)
Balance - December 31,	<u>\$ 675,000</u>	<u>\$ 801,000</u>

<i>Year ending December 31,</i>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 129,000	\$ 18,562	\$ 147,562
2019	132,000	15,015	147,015
2020	135,000	11,385	146,385
2021	138,000	7,673	145,673
2022	<u>141,000</u>	<u>3,877</u>	<u>144,877</u>
Totals	<u>\$ 675,000</u>	<u>\$ 56,512</u>	<u>\$ 731,512</u>

**Note 5. Subsequent Events:**

The Water Department has evaluated all subsequent events through June 4, 2018, the date on which the financial statements were available to be issued.



## **SUPPLEMENTARY INFORMATION**

**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

**SCHEDULES OF OPERATING REVENUES**

For the Years Ended December 31,

	<u>2017</u>	<u>2016</u>
Residential water	\$ 406,572	\$ 413,895
Industrial water	48,120	48,784
Sprinklers	34,577	34,668
Public fire protection:		
Kimberly	248,181	247,790
Combined Locks	30,848	30,848
Darboy	30,848	30,848
Commercial	75,683	71,708
Multi-family	42,370	36,996
Public authority	14,510	13,749
Sales for resale - Combined Locks	143,229	175,777
Sales for resale - Darboy	289,800	312,533
Forfeited discounts	15,576	15,739
Miscellaneous income	<u>99,423</u>	<u>81,674</u>
 Total operating revenues	 <u><u>\$ 1,479,737</u></u>	 <u><u>\$ 1,515,009</u></u>

**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

**ALLOCATED SCHEDULE OF NET OPERATING INCOME**

December 31, 2017

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Revenue	\$ 1,479,737	\$ 985,012	\$ 174,077	\$ 320,648
Operating expenses per allocation schedule	<u>1,255,073</u>	<u>828,778</u>	<u>192,953</u>	<u>233,342</u>
	224,664	156,234	( 18,876)	87,306
Nonoperating items per PSC:				
Depreciation on contributed assets	19,869	19,869	--	--
PILOT calculated vs paid difference	<u>7,140</u>	<u>7,140</u>	<u>--</u>	<u>--</u>
Net operating income	<u>\$ 251,673</u>	<u>\$ 183,243</u>	<u>\$ ( 18,876)</u>	<u>\$ 87,306</u>
Percentage of revenue	<u>17.01 %</u>	<u>18.60 %</u>	<u>-10.84 %</u>	<u>27.23 %</u>

**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

**ALLOCATION OF 2017 REVENUES**

	<u>Total</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Residential soft water	\$ 406,572	\$ 406,572	\$ --	\$ --
Industrial soft water	48,120	48,120	--	--
Sprinklers	34,577	34,577	--	--
Public fire protection:				
Kimberly	248,181	248,181	--	--
Combined Locks	30,848	--	30,848	--
Darboy	30,848	--	--	30,848
Commercial sales	75,683	75,683	--	--
Multi-family	42,370	42,370	--	--
Public sales	14,510	14,510	--	--
Sales for resale	433,029	--	143,229	289,800
Forfeited discounts	15,576	15,576	--	--
Miscellaneous	99,423	99,423	--	--
Total revenues	<u>\$ 1,479,737</u>	<u>\$ 985,012</u>	<u>\$ 174,077</u>	<u>\$ 320,648</u>
Allocation percentages	<u>100.00 %</u>	<u>66.57 %</u>	<u>11.76 %</u>	<u>21.67 %</u>

**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

**ALLOCATION OF 2017 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	\$ 130,861	\$ 130,861	\$ --	\$ --
Soft water allocation	<u>948,351</u>	<u>582,150</u>	<u>165,823</u>	<u>200,378</u>
Totals	<u>1,079,212</u>	<u>713,011</u>	<u>165,823</u>	<u>200,378</u>
Percentage allocated	<u>100.00 %</u>	<u>66.07 %</u>	<u>15.37 %</u>	<u>18.56 %</u>
Overhead expenses:				
Administration and commission salaries	73,900	48,647	11,401	13,852
Office supplies and expense	38,758	25,514	5,979	7,265
Outside services	16,000	10,533	2,468	2,999
Miscellaneous general	30,783	20,264	4,749	5,770
Water testing	7,095	4,671	1,094	1,330
Transportation	<u>9,325</u>	<u>6,138</u>	<u>1,439</u>	<u>1,748</u>
Total overhead allocated per other costs	<u>175,861</u>	<u>115,767</u>	<u>27,130</u>	<u>32,964</u>
Total expenses allocated	<u>\$ 1,255,073</u>	<u>\$ 828,778</u>	<u>\$ 192,953</u>	<u>\$ 233,342</u>

**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

**ALLOCATION OF 2017 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	\$ 36,238	\$ 16,789	\$ 8,780	\$ 10,669
Fuel and power-pump house #2	28,784	13,336	6,974	8,474
Fuel and power-pump house #3	63,494	29,417	15,385	18,692
Operating supplies-pump house #1	1,697	786	411	500
Operating supplies-pump house #2	516	239	125	152
Operating supplies-pump house #3	530	246	128	156
Operating labor - treatment	17,534	8,124	4,248	5,162
Chemicals - pump house #1	29,120	13,491	7,056	8,573
Chemicals - pump house #2	81,785	37,891	19,817	24,077
Chemicals - pump house #3	55,353	25,645	13,412	16,296
Property insurance	20,000	15,110	2,208	2,682
Employee benefits	71,403	33,081	17,301	21,021
Maintenance expenses:				
Pumping - #1 deep well	5,418	2,510	1,313	1,595
Pumping - #2 deep well	8,768	4,062	2,124	2,582
Pumping - #3 deep well	13,817	6,401	3,348	4,068
Treatment - #1	7,624	3,532	1,847	2,245
Treatment - #2	8,040	3,725	1,948	2,367
Treatment - #3	4,017	1,861	973	1,183
Treatment - labor	31,289	14,496	7,581	9,212
Telemetry	106	49	26	31
Elevated & storage tanks	26,869	12,448	6,510	7,911
Mains	66,560	66,560	--	--
Services	33,694	33,072	144	478
Meters	13,512	12,184	443	885
Hydrants	19,045	19,045	--	--
Other expenses:				
Taxes - tax equivalent	161,702	145,532	8,085	8,085
Taxes - payroll	4,262	1,975	1,033	1,254
Depreciation	268,035	191,404	34,603	42,028
Total expenses	<u>\$ 1,079,212</u>	<u>\$ 713,011</u>	<u>\$ 165,823</u>	<u>\$ 200,378</u>

**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

**PLANT ASSET ALLOCATION**

December 31, 2017

	<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	\$ 1,441,202	\$ 667,709	\$ 349,203	\$ 424,290
Structures and improvements	1,020,995	473,027	247,387	300,581
Electric pumping equipment	1,034,330	479,205	250,618	304,507
Other pumping equipment	27,597	12,786	6,687	8,124
Water treatment equipment	437,532	202,709	106,014	128,809
Totals	<u>3,961,656</u>	<u>1,835,436</u>	<u>959,909</u>	<u>1,166,311</u>
Common system utility plant:				
Distribution reservoirs and standpipes	756,750	350,602	183,361	222,787
Mains	3,749,597	3,749,597	--	--
Services	849,927	849,927	--	--
Meters	485,386	485,386	--	--
Hydrants	338,724	338,724	--	--
Totals	<u>6,180,384</u>	<u>5,774,236</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	31,818	31,818	--	--
Totals	<u>152,025</u>	<u>152,025</u>	<u>--</u>	<u>--</u>
Total depreciable assets	<u>10,294,065</u>	<u>7,761,697</u>	<u>1,143,270</u>	<u>1,389,098</u>
Depreciable asset allocation	<u>100.00 %</u>	<u>75.40 %</u>	<u>11.11 %</u>	<u>13.49 %</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>\$ 10,358,681</u>	<u>\$ 7,826,313</u>	<u>\$ 1,143,270</u>	<u>\$ 1,389,098</u>
Total asset allocation	<u>100.00 %</u>	<u>75.55 %</u>	<u>11.04 %</u>	<u>13.41 %</u>

**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

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

December 31, 2017

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Average utility plant in service*	\$ 9,013,226	\$ 6,523,022	\$ 1,124,235	\$ 1,365,969
Deductions:				
Average accumulated depreciation*	<u>2,843,944</u>	<u>2,058,162</u>	<u>354,640</u>	<u>431,142</u>
Totals	6,169,282	4,464,860	769,595	934,827
Add average inventory	46,200	46,200	--	--
Less regulatory liability	<u>( 90,533)</u>	<u>( 90,533)</u>	<u>--</u>	<u>--</u>
Average net investment in plant, materials and supplies	<u>\$ 6,124,949</u>	<u>\$ 4,420,527</u>	<u>\$ 769,595</u>	<u>\$ 934,827</u>
Current year utility operating income	<u>\$ 251,673</u>	<u>\$ 183,243</u>	<u>\$ ( 18,876)</u>	<u>\$ 87,306</u>
Ratio of operating income to average net investment	<u>4.11 %</u>	<u>4.15 %</u>	<u>-2.45 %</u>	<u>9.34 %</u>

\* Does not include contributed assets



**KIMBERLY WATER DEPARTMENT  
KIMBERLY, WISCONSIN**

**WATER VOLUME STATISTICS  
December 31, 2017**

	Totals	
	Gallons (000's)	%
Total water pumped	357,433	
Less: unmetered system usage	20,609	
Water pumped into the system	<u>336,824</u>	
Water sold:		
Metered sales - Kimberly:		
Residential	83,646	26.31
Industrial	16,802	5.28
Commercial	20,576	6.47
Multi-family	11,227	3.53
Public	<u>3,563</u>	<u>1.12</u>
Total metered sales - Kimberly	<u>135,814</u>	<u>42.71</u>
Wholesale sales:		
Combined Locks	66,070	20.78
Darboy	<u>116,065</u>	<u>36.49</u>
Total wholesale sales	<u>182,135</u>	<u>57.27</u>
Total sold	<u>317,949</u>	<u>100.00 %</u>
Lost in the system:		
Total pumped into the system	336,824	
Water pumped into the system but not sold	- -	
Total sold	<u>317,949</u>	
Water pumped but not accounted for	<u>18,875</u>	<u>5.60 %</u>