

KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

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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 (Water Department) of the Village of Kimberly as of and for the years ended December 31, 2019 and 2018, 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, 2019 and 2018, 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.

Erickson & Associates, S.C.

ERICKSON & ASSOCIATES, S.C.

Appleton, Wisconsin

June 30, 2020

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

STATEMENTS OF NET POSITION

December 31,

	2019	2018
ASSETS		
Current assets:		
Cash and temporary investments	\$ 496,278	\$ 671,003
Accounts receivable:		
Customers	358,123	332,864
Taxes receivable	29,156	28,612
Material and supplies inventory	50,045	33,163
Total current assets	933,602	1,065,642
Utility plant:		
Utility plant in service	11,263,180	10,772,229
Less accumulated depreciation	3,978,960	3,707,834
Total utility plant	7,284,220	7,064,395
Other assets:		
Special assessments	755	755
Total other assets	755	755
Total assets	8,218,577	8,130,792
LIABILITIES		
Current liabilities:		
Notes payable - due within one year	135,000	132,000
Accounts payable	58,773	156,531
Other current liabilities	9,194	17,908
Accrued interest	2,838	3,743
Total current liabilities	205,805	310,182
Notes payable	279,000	414,000
DEFERRED INFLOWS OF RESOURCES		
Deferred special assessments	755	755
Total liabilities	485,560	724,937
NET POSITION		
Invested in capital assets, net of related debt	6,870,220	6,518,395
Unrestricted	862,797	887,460
Total net position	\$ 7,733,017	\$ 7,405,855

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>2019</u>	<u>2018</u>
Operating revenues	\$ <u>1,703,548</u>	\$ <u>1,519,341</u>
Operating expenses:		
General	653,468	692,522
Maintenance	525,980	362,965
Depreciation	281,083	272,727
Taxes	<u>2,670</u>	<u>3,709</u>
Total operating expenses	<u>1,463,201</u>	<u>1,331,923</u>
Operating income	<u>240,347</u>	<u>187,418</u>
Other income (expense):		
Interest income	8,489	8,859
Interest expense	<u>(14,110)</u>	<u>(17,678)</u>
Total other expense	<u>(5,621)</u>	<u>(8,819)</u>
Income before transfers	234,726	178,599
Operating transfer (out)	<u>(143,414)</u>	<u>(150,300)</u>
Income before contributions	91,312	28,299
Capital contributions	<u>235,850</u>	<u>336,559</u>
Change in net position	327,162	364,858
Net position, beginning of year	<u>7,405,855</u>	<u>7,040,997</u>
Net position, end of year	<u>\$ 7,733,017</u>	<u>\$ 7,405,855</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>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,327,178	\$ 1,162,063
Cash received from interfund services provided	350,567	310,525
Cash paid to suppliers of goods and services	(766,104)	(533,559)
Cash paid to employees for services	<u>(525,980)</u>	<u>(362,965)</u>
Net cash provided by operating activities	<u>385,661</u>	<u>576,064</u>
Cash flows from noncapital financing activities:		
Tax equivalent paid to municipality	(143,414)	(150,300)
Cash flows from capital and related financing activities:		
Purchases of property and equipment	(278,446)	(364,105)
Payment on notes payable	(132,000)	(129,000)
Cash paid for interest costs incurred	<u>(15,015)</u>	<u>(18,563)</u>
Net cash used in noncapital, capital, and related financing activities	<u>(568,875)</u>	<u>(661,968)</u>
Cash flows from investing activities:		
Cash received for interest earned	<u>8,489</u>	<u>8,859</u>
Net increase (decrease) in cash and cash equivalents	(174,725)	(77,045)
Cash and cash equivalents, beginning of year	<u>671,003</u>	<u>748,048</u>
Cash and cash equivalents, end of year	<u>\$ 496,278</u>	<u>\$ 671,003</u>
Noncash capital and related financing activities:		
Contributions in aid of construction	<u>\$ 235,850</u>	<u>\$ 139,733</u>

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

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

For the Years Ended December 31,

	2019	2018
Operating income	\$ 240,347	\$ 187,418
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	281,083	272,727
Depreciation - Sewer Fund	13,388	13,251
(Increase) decrease in:		
Accounts receivable:		
Customers	(25,259)	(46,526)
Taxes receivable	(544)	(227)
Materials and supplies inventory	(16,882)	28,720
Increase (decrease) in:		
Accounts payable	(97,758)	111,957
Other current liabilities	(8,714)	8,744
Net cash provided by operating activities	\$ 385,661	\$ 576,064

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

**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 has 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*. 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	\$ 1,258,831	\$ --	\$ --	\$ 1,258,831
Structures and improvements	1,020,995	--	--	1,020,995
Electric pumping equipment	1,159,075	--	--	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	4,083,059	402,649	17,440	4,468,268
Services	936,126	34,820	752	970,194
Meters	478,341	17,291	353	495,279
Hydrants	397,284	49,528	4,800	442,012
Other equipment	152,023	10,008	--	162,031
Nondepreciable assets	64,616	--	--	64,616
Totals	<u>10,772,229</u>	<u>514,296</u>	<u>23,345</u>	<u>11,263,180</u>
Accumulated depreciation:				
Wells and springs	589,354	36,506	--	625,860
Structures and improvements	442,173	38,877	--	481,050
Electric pumping equipment	461,583	42,468	--	504,051
Other pumping equipment	15,188	1,214	--	16,402
Water treatment equipment	215,161	17,501	--	232,662
Reservoirs and standpipes	290,725	14,378	--	305,103
Mains	1,092,762	58,088	17,440	1,133,410
Services	277,597	28,136	752	304,981
Meters	135,606	31,139	353	166,392
Hydrants	85,497	5,826	4,800	86,523
Other equipment	102,188	20,338	--	122,256
Totals	<u>3,707,834</u>	<u>294,471</u>	<u>23,345</u>	<u>3,978,960</u>
Capital assets, net	<u>\$ 7,064,395</u>	<u>\$ 219,825</u>	<u>\$ --</u>	<u>\$ 7,284,220</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>2019</u>	<u>2018</u>
Balance - January 1,	\$ 414,000	\$ 546,000
Proceeds	--	--
Repayments	<u>(135,000)</u>	<u>(132,000)</u>
Balance - December 31,	<u>\$ 279,000</u>	<u>\$ 414,000</u>

<i>Year ending December 31,</i>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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>\$ 414,000</u>	<u>\$ 22,935</u>	<u>\$ 436,935</u>

Note 5. Subsequent Events:

The Water Department has evaluated all subsequent events through June 30, 2020, 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>2019</u>	<u>2018</u>
Residential water	\$ 485,658	\$ 425,146
Industrial water	27,443	35,686
Sprinklers	45,386	33,869
Public fire protection:		
Kimberly	287,762	248,829
Combined Locks	31,403	30,848
Darboy	31,402	30,848
Commercial	80,460	70,319
Multi-family	42,278	34,930
Public authority	11,155	15,341
Sales for resale - Combined Locks	232,518	173,362
Sales for resale - Darboy	330,777	314,556
Forfeited discounts	13,967	14,113
Miscellaneous income	83,339	91,494
	<u> </u>	<u> </u>
Total operating revenues	<u>\$ 1,703,548</u>	<u>\$ 1,519,341</u>

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

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

ALLOCATED SCHEDULE OF NET OPERATING INCOME

December 31, 2019

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Revenue	\$ 1,703,548	\$ 1,077,448	\$ 263,921	\$ 362,179
Operating expenses per allocation schedule	<u>1,606,615</u>	<u>946,688</u>	<u>275,920</u>	<u>384,007</u>
	96,933	130,760	(11,999)	(21,828)
Nonoperating items per PSC:				
Other revenue	(4,049)	(4,049)		
Depreciation on contributed assets	28,705	28,705	--	--
PILOT calculated vs paid difference	<u>(4,752)</u>	<u>(4,752)</u>	<u>--</u>	<u>--</u>
Net operating income	<u>\$ 116,837</u>	<u>\$ 150,664</u>	<u>\$ (11,999)</u>	<u>\$ (21,828)</u>
Percentage of revenue	<u>6.86 %</u>	<u>13.98 %</u>	<u>-4.55 %</u>	<u>-6.03 %</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

ALLOCATION OF 2019 REVENUES

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboj</u>
Residential soft water	\$ 485,658	\$ 485,658	\$ --	\$ --
Industrial soft water	27,443	27,443	--	--
Sprinklers	45,386	45,386	--	--
Public fire protection:				
Kimberly	287,762	287,762	--	--
Combined Locks	31,403	--	31,403	--
Darboj	31,402	--	--	31,402
Commercial sales	80,460	80,460	--	--
Multi-family	42,278	42,278	--	--
Public sales	11,155	11,155	--	--
Sales for resale	563,295	--	232,518	330,777
Forfeited discounts	13,967	13,967	--	--
Miscellaneous	83,339	83,339	--	--
Total revenues	<u>\$ 1,703,548</u>	<u>\$ 1,077,448</u>	<u>\$ 263,921</u>	<u>\$ 362,179</u>
Allocation percentages	<u>100.00 %</u>	<u>63.25 %</u>	<u>15.49 %</u>	<u>21.26 %</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

ALLOCATION OF 2019 EXPENSES

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboj</u>
Totals from allocation of nonoverhead expenses:				
Direct allocation	\$ 205,417	\$ 205,417	\$ --	\$ --
Soft water allocation	<u>1,200,674</u>	<u>620,888</u>	<u>242,839</u>	<u>336,947</u>
Totals	<u>1,406,091</u>	<u>826,305</u>	<u>242,839</u>	<u>336,947</u>
 Percentage allocated	<u>100.00 %</u>	<u>58.77 %</u>	<u>17.27 %</u>	<u>23.96 %</u>
 Overhead expenses:				
Administration and commission salaries	119,738	71,884	19,753	28,101
Office supplies and expense	40,340	24,218	6,655	9,467
Outside services	3,453	2,072	570	811
Miscellaneous general	26,637	15,992	4,394	6,251
Water testing	3,848	2,310	635	903
Transportation	<u>6,508</u>	<u>3,907</u>	<u>1,074</u>	<u>1,527</u>
Total overhead allocated per other costs	<u>200,524</u>	<u>120,383</u>	<u>33,081</u>	<u>47,060</u>
 Total expenses allocated	<u>\$ 1,606,615</u>	<u>\$ 946,688</u>	<u>\$ 275,920</u>	<u>\$ 384,007</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

ALLOCATION OF 2019 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	\$ 62,497	\$ 23,255	\$ 16,193	\$ 23,049
Fuel and power-pump house #2	32,149	11,963	8,330	11,856
Fuel and power-pump house #3	53,709	19,985	13,916	19,808
Operating supplies-pump house #1	1,288	479	334	475
Operating supplies-pump house #2	221	82	57	82
Operating supplies-pump house #3	416	155	108	153
Operating labor - treatment	20,007	7,445	5,184	7,378
Chemicals - pump house #1	76,887	28,610	19,921	28,356
Chemicals - pump house #2	68,877	25,629	17,846	25,402
Chemicals - pump house #3	56,983	21,203	14,764	21,016
Property insurance	15,102	11,179	1,619	2,304
Employee benefits	9,996	3,720	2,590	3,686
Maintenance expenses:				
Pumping - #1 deep well	14,788	5,503	3,832	5,453
Pumping - #2 deep well	25,809	9,604	6,687	9,518
Pumping - #3 deep well	102,462	38,126	26,548	37,788
Treatment - #1	82,664	30,759	21,418	30,487
Treatment - #2	20,707	7,705	5,365	7,637
Treatment - #3	65,768	24,472	17,040	24,256
Treatment - labor	36,758	13,678	9,524	13,556
Telemetry	5,441	2,025	1,410	2,006
Elevated & storage tanks	12,156	4,523	3,150	4,483
Mains	80,484	80,484	--	--
Services	46,780	45,917	199	664
Meters	81,010	73,051	2,653	5,306
Hydrants	5,965	5,965	--	--
Other expenses:				
Taxes - tax equivalent	143,414	129,073	7,171	7,170
Taxes - payroll	2,670	994	692	984
Depreciation	281,083	200,721	36,288	44,074
Total expenses	<u>\$ 1,406,091</u>	<u>\$ 826,305</u>	<u>\$ 242,839</u>	<u>\$ 336,947</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

PLANT ASSET ALLOCATION

December 31, 2019

	<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	\$ 468,411	\$ 326,163	\$ 464,257
Structures and improvements	1,020,995	379,912	264,540	376,543
Electric pumping equipment	1,159,075	431,292	300,316	427,467
Other pumping equipment	27,597	10,269	7,150	10,178
Water treatment equipment	437,532	162,806	113,365	161,361
Totals	<u>3,904,030</u>	<u>1,452,690</u>	<u>1,011,534</u>	<u>1,439,806</u>
Common system utility plant:				
Distribution reservoirs and standpipes	756,750	281,587	196,074	279,089
Mains	4,468,268	4,468,268	--	--
Services	970,194	970,194	--	--
Meters	495,279	495,279	--	--
Hydrants	442,012	442,012	--	--
Totals	<u>7,132,503</u>	<u>6,657,340</u>	<u>196,074</u>	<u>279,089</u>
Common system - other assets:				
Office equipment	5,730	5,730	--	--
Computer equipment	21,427	21,427	--	--
Transportation equipment	86,157	86,157	--	--
Shop equipment	6,891	6,891	--	--
Miscellaneous equipment	41,826	41,826	--	--
Totals	<u>162,031</u>	<u>162,031</u>	<u>--</u>	<u>--</u>
Total depreciable assets	<u>11,198,564</u>	<u>8,272,061</u>	<u>1,207,608</u>	<u>1,718,895</u>
Depreciable asset allocation	<u>100.00 %</u>	<u>73.87 %</u>	<u>10.78 %</u>	<u>15.35 %</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>\$ 11,263,180</u>	<u>\$ 8,336,677</u>	<u>\$ 1,207,608</u>	<u>\$ 1,718,895</u>
Total asset allocation	<u>100.00 %</u>	<u>74.02 %</u>	<u>10.72 %</u>	<u>15.26 %</u>

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

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

December 31, 2019

	<u>Totals</u>	<u>Soft Water Kimberly</u>	<u>Soft Water Combined Locks</u>	<u>Soft Water Darboy</u>
Average utility plant in service*	\$ 9,337,640	\$ 6,623,668	\$ 1,168,458	\$ 1,545,514
Deductions:				
Average accumulated depreciation*	<u>3,273,464</u>	<u>2,322,195</u>	<u>409,510</u>	<u>541,758</u>
Totals	6,064,176	4,301,473	758,948	1,003,756
Add average inventory	41,604	41,604	--	--
Less regulatory liability	<u>(62,675)</u>	<u>(62,675)</u>	<u>--</u>	<u>--</u>
Average net investment in plant, materials and supplies	<u>\$ 6,043,105</u>	<u>\$ 4,280,402</u>	<u>\$ 758,948</u>	<u>\$ 1,003,756</u>
Current year utility operating income	<u>\$ 116,837</u>	<u>\$ 150,664</u>	<u>\$ (11,999)</u>	<u>\$ (21,828)</u>
Ratio of operating income to average net investment	<u>1.93 %</u>	<u>3.52 %</u>	<u>-1.58 %</u>	<u>-2.17 %</u>

* Does not include contributed assets

**KIMBERLY WATER DEPARTMENT
KIMBERLY, WISCONSIN**

**WATER VOLUME STATISTICS
December 31, 2019**

	Totals	
	Gallons (000's)	%
Total water pumped	391,822	
Less: unmetered system usage	27,844	
Water pumped into the system	363,978	
Water sold:		
Metered sales - Kimberly:		
Residential	82,902	27.07
Industrial	8,131	2.66
Commercial	19,675	6.42
Multi-family	1,541	0.50
Public	1,707	0.56
Total metered sales - Kimberly	113,956	37.21
Wholesale sales:		
Combined Locks	79,359	25.91
Darboy	112,920	36.86
Total wholesale sales	192,279	62.77
Total sold	306,235	100.00 %
Lost in the system:		
Total pumped into the system	363,978	
Water pumped into the system but not sold	--	
Total sold	306,235	
Water pumped but not accounted for	57,743	15.86 %