

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**INCLUDING AUDITORS' REPORT  
FOR THE FISCAL YEARS ENDED  
DECEMBER 31, 2018 AND 2017**



**GREEN BAY WATER UTILITY**

**A Departmental Unit of the City of  
Green Bay, Wisconsin**



**GREEN BAY WATER UTILITY**  
**A DEPARTMENTAL UNIT OF THE CITY OF**  
**GREEN BAY, WISCONSIN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

Prepared by:

Stephanie R. Rogers, CPA - Business Manager

Karen F. Smits - Accountant

Green Bay Water Utility

**MISSION STATEMENT**

THE MISSION OF THE GREEN BAY WATER UTILITY IS  
TO PROVIDE AN ADEQUATE SUPPLY OF HIGH  
QUALITY, DRINKING WATER AT A REASONABLE COST  
TO CUSTOMERS.



Water Utility  
City of Green Bay, Wisconsin  
Comprehensive Annual Financial Report  
December 31, 2018

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

|  |       |
|--|-------|
| A Message from the Utility General Manager | 1     |
| Letter of Transmittal                      | 2 - 5 |
| Certificate of Achievement                 | 6     |
| Table of Organization                      | 7     |
| List of Principal Officials                | 8     |

|                                     |        |
|-------------------------------------|--------|
| <b>INDEPENDENT AUDITORS' REPORT</b> | 9 - 11 |
|-------------------------------------|--------|

|   |         |
|---|---------|
| <b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b> | 12 - 17 |
|---|---------|

**BASIC FINANCIAL STATEMENTS**

|   |         |
|---|---------|
| Statement of Net Position                                   | 18 - 19 |
| Statement of Revenues, Expenses and Changes in Net Position | 20      |
| Statement of Cash Flows                                     | 21      |
| Notes to Basic Financial Statements                         | 22 - 42 |

**REQUIRED SUPPLEMENTARY INFORMATION**

|   |    |
|---|----|
| Schedule of Proportionate Share of Net Pension Liability (Asset) –<br>Wisconsin Retirement System | 43 |
| Schedule of Contributions - Wisconsin Retirement System   | 43 |
| Notes to Required Supplementary Information   | 43 |

**SUPPLEMENTARY INFORMATION**

|  |         |
|--|---------|
| Operating Revenues and Expenses  | 44      |
| Schedule of Operating Expenses by Function and Object  | 45 - 46 |
| Capital Assets   | 47      |
| Accumulated Depreciation   | 48 - 49 |
| Bond Interest and Redemption Requirements –<br>Waterworks Mortgage Revenue Bonds Series 2006 | 50      |
| Waterworks Mortgage Revenue Bonds Series 2014  | 51      |
| Waterworks Mortgage Revenue Bonds Series 2017  | 52      |

**STATISTICAL SECTION**

|   |    |
|---|----|
| Statistical Section Narrative                       | 53 |
| Changes in Net Position – Last Ten Years            | 54 |
| Operating Revenues by Source – Last Ten Years       | 55 |
| Operating Expenses by Object – Last Ten Years       | 56 |
| Nonoperating Revenues and Expenses – Last Ten Years | 57 |
| Capital Contributions by Source – Last Ten Years    | 58 |
| Net Position by Component – Last Ten Years          | 59 |
| Return on Rate Base – Last Ten Years                | 60 |

Water Utility  
City of Green Bay, Wisconsin  
Comprehensive Annual Financial Report  
December 31, 2018

**STATISTICAL SECTION (continued)**

|  |    |
|--|----|
| Revenue Bond Coverage and Debt Ratios – Last Ten Years                               | 61 |
| Annual Water Pumpage   | 62 |
| Monthly Water Pumpage  | 63 |
| Water Produced and Consumed – Last Ten Years   | 64 |
| Water Rates – Last Ten Years   | 65 |
| Analysis of Operating Revenue  | 66 |
| Usage Schedule of Current Twelve Largest Customers                                   | 67 |
| Revenue Schedule of Twelve Largest Customers – Last Ten Years                        | 68 |
| Twelve Largest Consumers – Current Year and Nine Years Ago                           | 69 |
| Number of Customers by Type – Last Ten Years   | 70 |
| Residential Customer Analysis  | 71 |
| Demographic and Economic Statistics – Last Ten Years                                 | 72 |
| Ten Largest Metropolitan Area Private Employers –<br>Current Year and Nine Years Ago | 73 |
| Classification of Meters   | 74 |
| Wells, Reservoirs and Elevated Tanks in Service                                      | 75 |
| Utility Plant in Service at Year End – Last Ten Years                                | 76 |
| Supply Mains in Service  | 77 |
| Distribution and Transmission Mains in Service                                       | 78 |
| Water Services (Laterals) in Service   | 79 |
| Water Services (Laterals) in Service – Last Ten Years                                | 80 |
| Operating and Capital Indicators – Last Ten Years                                    | 81 |
| Water Main Leaks by Month  | 82 |
| Water Rates in Effect on October 18, 1887  | 83 |

**COMPLIANCE SECTION**

|   |         |
|---|---------|
| Independent Auditors' Report on Internal Control Over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance With <i>Government Auditing Standards</i> | 84 - 85 |
|---|---------|

# **INTRODUCTORY SECTION**

**THIS PAGE LEFT BLANK INTENTIONALLY**





## Green Bay Water Utility

631 S. Adams St. – P.O. Box 1210  
Green Bay, WI 54305-1210

920-448-3480  
FAX 920-448-3486  
www.gbwater.org

June 6, 2019

A message from the Utility General Manager:

In 2018, we continued our commitment to innovation and technology as we maintain and improve our water utility while keeping our customers' needs in the forefront of our decisions.

Our mission to provide an adequate supply of high quality drinking water at a reasonable cost to our customers is strong. Our commitment to excellence, efficiency, and safety are evident in the projects we tackled in 2018.

Examples of projects completed in 2018:

- Completed the second complete round of Uni-directional flushing of our system, including transmission lines
- Performed an Employee Engagement Survey
- Performed a survey of residential, commercial, industrial and wholesale customers
- Implemented a new performance evaluation system for our employees
- Reorganized the utility organization chart to streamline work processes
- Replaced 340 publically owned lead service lines
- Utility Website was updated to provide our customers additional and timely information
- All private wells in our system have been properly permitted
- Updated one of our large pumps at our Lake Station
- Updated our software in our SCADA (Supervisory Control and Data Acquisition) and Work Management System
- Applied and received approval from the PSC of Wisconsin and implemented a rate increase for all customer classes
- Participate in a collaboration study (SPLASH) with neighboring utilities to identify business operations that could be shared to ensure the costs were efficient
- We replaced over 13,101 feet of old cast iron water main.

We here at the Utility would like to thank the Water Commission, the Mayor, the members of the Common Council, and all of those who contributed to making 2018 a successful year.

Respectfully submitted

THE GREEN BAY WATER UTILITY

Nancy A. Quirk, P.E.  
General Manager

**THIS PAGE LEFT BLANK INTENTIONALLY**



## *Green Bay Water Utility*

631 S. Adams St. – P.O. Box 1210  
Green Bay, WI 54305-1210

920-448-3480  
FAX 920-448-3486  
www.gbwater.org

### Letter of Transmittal

June 6, 2019

#### **To the Board of Waterworks Commissioners and Utility Customers:**

#### **FORMAL TRANSMITTAL OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The Comprehensive Annual Financial Report of the Green Bay Water Utility for the year ended December 31, 2018 is hereby submitted. This report was prepared by the Utility's Business Manager. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the Utility. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations, and cash flows of the Utility. All disclosures necessary to enable the reader to gain an understanding of the Utility's financial activities have been included. This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD & A) and should be read in conjunction with it. The Green Bay Water Utility's MD & A can be found immediately following the report of the independent auditors.

The Utility is a departmental unit of the City of Green Bay, Wisconsin, and its financial statements are included in the City's financial statements as an enterprise fund referred to as the Water Utility.

#### **PROFILE OF THE WATER UTILITY**

The Green Bay Water Utility, along with its predecessor (a privately owned company), has been in business for 132 years. The private commercial

venture was begun in 1886 by a syndicate of New Englanders and operated under franchises granted by both of the then-existing Green Bay and Fort Howard communities. A listing of the water rates in force as of October 18, 1887 is included in the statistical section of this report. In 1894, the group of Connecticut promoters who established the original company sold out to local investors after having operated the system for about eight years. The original private company began operations with three wells, 12 miles of water mains, a pump house with reservoirs and a 12 inch river-crossing main to the west side of the Fox River to supply the community of Fort Howard. When the company sold eight years later to local investors, it had grown to include 29 miles of mains.

Early records were not required, but a 1909 Railroad Commission report lists the locally owned system as having 43.1 miles of main and 4,002 customers, mostly residential. Industrial and commercial users at this early date generally had their own wells.

In 1910, talk began about a municipal owned department, and a referendum overwhelmingly carried, only to have the efforts die there. The price of \$500,000 was rejected by the City Council due to the fact that the amount being considered at that time represented a "staggering" sum. World War I came and went, and the issue resurfaced in 1920. A new referendum was passed, and the system was purchased on November 12, 1920 by the City of Green Bay for \$975,000.

Since inception in 1886, Green Bay had boasted about its pure and abundant water, brought up from deep artesian wells. But growth in population and commercial and industrial activities began to show a strain on the supply. In 1930, the average daily per capita consumption was between 40 and 50 gallons; by 1957, this had mushroomed to nearly 200 gallons.

In addition, the water level, which in 1935 was a mere 95 feet below ground surface, had dropped to 350 feet. The natural reservoir of water could not be replenished as fast as city needs were growing.

By 1952, it was evident that some new source had to be found. Deep, pure, dark blue Lake Michigan was nearby and an attractive source. After meeting with some opposition, work on the \$10 million facility began in 1956. In August of 1957, construction was completed, and on August 10, 1957, the “new” water streamed and bubbled to customers. In November of 1964, the City of Green Bay annexed the Town of Preble, which had 3,516 customers. By 1970, there were 23,000 customers, and to date, there are approximately 36,000.

The water is still being drawn from Lake Michigan, 27 miles to the east of Green Bay, just north of the City of Kewaunee. The maximum pumping capacity during that first year was approximately 13 million gallons per day (MGD). Today, thanks to system upgrades, the maximum pumping capacity has grown to approximately 42 MGD.

The Utility’s retail service area currently is confined to the City’s boundaries. Wholesale service to the Village of Ashwaubenon began in June, 2006, to the Town of Scott in October, 2006, to the Village of Hobart in May, 2011 and to the Village of Wrightstown in June, 2016. Construction and maintenance of all Utility facilities and improvements are the responsibility of the Utility. The Public Service Commission of Wisconsin (PSCW) regulates the Utility’s operations pursuant to Chapter 196 of the Wisconsin State Statutes.

## **INFORMATION USEFUL IN ASSESSING THE WATER UTILITY’S FINANCIAL CONDITION**

---

The Utility’s retail service area, which is the City of Green Bay, is the third most populous city in Wisconsin, and has continued to experience

substantial growth in population and tax base over the past decades.

The City has become one of the State’s predominant manufacturing areas, with particular emphasis on non-durable goods industries. A listing of the 12 largest water consumers is included in the statistical section of this report.

The City has a current estimated population of 105,477. Since 1960, through annexation and consolidation, the City of Green Bay has grown physically from 15.5 square miles to a present area covering approximately 46.1 square miles. The City’s population density of approximately 2,258 persons per square mile indicates there is ample land for future growth and development.

The 2018 City of Green Bay Capital Improvement Program (CIP) initiated the replacement of about 3 miles of existing distribution water main infrastructure. The City’s Street Resurfacing Program accounted for the 1.43 miles of the water main that was replaced. There was 1.02 miles of water main replacement generated by the City’s Street Reconstruction Program. There was 0.56 miles of new water main footage added into the distribution system in 2018.

In 2018, the Utility installed new computer hardware and software upgrades.

In 2018, the Water Treatment Plant’s uninterruptible power supply was completed along with a new air conditioning unit.

The Water Utility had a 29% increase in main breaks in 2018 over 2017. Lead removal was at the top of the list in 2018 for the Metering and Distribution Departments. There was 375 of the utility-owned portion of the lead services were replaced. The Utility’s metering personnel continued to visit homes in an effort to determine what type of service line material was on the owner’s portion.

### **Long-Term Financial Planning**

Annually, the Water Commission adopts a non-appropriated five year operating budget and a five year capital budget. Both budgets are used as short and long term financial plans in conjunction with the Utility’s ten year master plan to anticipate the needs for the current and subsequent years. Monthly

analysis of anticipated rate of return and comparison of budget to actual operating income and expense is performed to control costs and avoid potential deficits.

### **Policies Impacting Financial Statements**

The Water Utility Commission adopted an investment policy in 2004. Accordingly, available cash is invested in certificates of deposit, money market accounts, the State investment pool, commercial paper, U.S. Treasury securities, savings accounts and interest-bearing checking accounts. To reduce risk, the Utility's portfolio is diversified by security type with maximum allowable allocation by instrument and is further restricted by a minimum credit quality rating for each instrument.

### **Internal Control**

In developing and altering the Utility's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. I believe that the Utility's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Independent Audit**

The current outstanding bond issues require an annual audit by independent certified public accountants. The Utility has retained CLA (CliftonLarsonAllen) Certified Public Accountants, to perform an audit of the Utility's financial records. The Independent Auditors' Report on Financial Statements is included in the financial section of this report. The unmodified opinion expressed by the auditor on the Utility's financial statements, is an assertion that there have been no significant exceptions as to the accounting principles reflected in the financial statements, the consistency of application of accounting principles,

and the adequacy of information disclosures in the financial statements. The Independent Auditors' Report on Internal Control over Financial Reporting, and on Compliance and Other Matters is included in the compliance section of this report.

### **Management's Discussion and Analysis**

The Governmental Accounting Standards Board adopted standards which require a management discussion and analysis to be part of the basic annual audited financial statements. For Management's Discussion and Analysis for the year ended December 31, 2018, please refer to the financial section in this report.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utility for its comprehensive annual financial report for the fiscal year ended December 31, 2017. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate of Achievement is valid for a period of one year only.

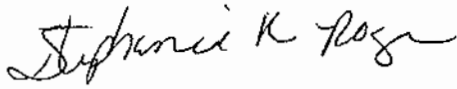
The Utility's Certificate of Achievement for Excellence in Financial Reporting for the year ended December 31, 2017 was the twenty-fourth consecutive GFOA Certificate of Achievement received. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

### **Acknowledgements**

Preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire office staff of the Utility. Appreciation also is extended to all Utility department managers, employees and the Utility's

independent auditors who contributed to its contents. Further appreciation is extended to the Water Utility Commissioners for their interest and support in planning and conducting the financial operations of the Utility in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stephanie R. Rogers". The signature is written in black ink and is positioned above the typed name.

Stephanie R. Rogers, CPA  
Business Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Water Utility, City of Green Bay  
Wisconsin**

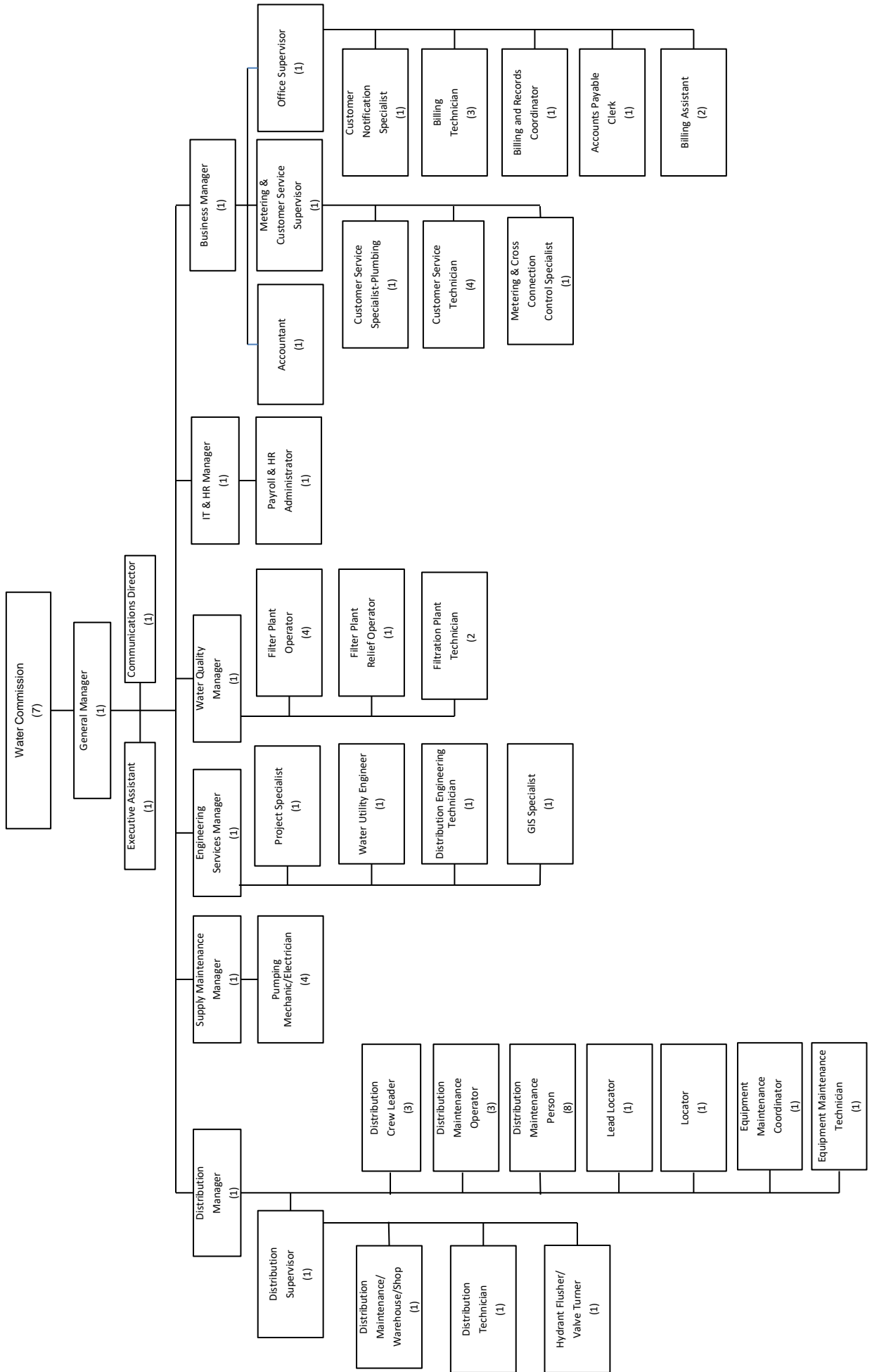
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# WATER UTILITY CITY OF GREEN BAY, WISCONSIN TABLE OF ORGANIZATION





**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

List of Principal Officials

| <b>BOARD OF WATERWORKS COMMISSIONERS</b> |                            |                             |                         |
|--|----------------------------|-----------------------------|-------------------------|
|  |                            | <u>Years of<br/>Service</u> | <u>Term<br/>Expires</u> |
| President . . . . .                      | James F. Blumreich         | 15                          | 2019                    |
| Vice President . . . . .                 | Kathryn Hasselblad-Pascale | 15                          | 2024                    |
| Secretary . . . . .                      | Douglas J. Martin          | 6                           | 2025                    |
| Commissioner . . . . .                   | Lisa M. Bauer Lotto        | 5                           | 2021                    |
| Commissioner . . . . .                   | John C. Heugel             | 6                           | 2022                    |
| Commissioner . . . . .                   | Joe Moore                  | <1                          | 2020                    |
| Commissioner . . . . .                   | Vacant                     | N/A                         | N/A                     |

**COUNCIL REPRESENTATIVE**  
Alderman Kathy LeFebvre

**LEGAL REPRESENTATIVE**  
William J. Vande Castle

| <b>UTILITY MANAGEMENT STAFF</b>            |                          |                                       |  |
|--|--------------------------|---------------------------------------|--|
|  |                          | <u>Years<br/>in This<br/>Position</u> | <u>Years<br/>Employed<br/>by Utility</u> |
| General Manager . . . . .                  | Nancy A. Quirk, P.E.     | 6                                     | 6  |
| Business Manager . . . . .                 | Stephanie R. Rogers, CPA | 1                                     | 1  |
| Engineering Services Manager . . . . .     | Brian K. Powell, P.E.    | 16                                    | 16                                       |
| Supply Maintenance Manager . . . . .       | Thomas P. Landwehr       | 17                                    | 18                                       |
| Water Quality Manager . . . . .            | Russell A. Hardwick      | 18                                    | 23                                       |
| Distribution Maintenance Manager . . . . . | Jason D. Maes            | 2                                     | 24                                       |
| Communications Director . . . . .          | Andrea D. Hay            | <1                                    | <1                                       |
| Information Systems/HR Manager . . . . .   | Kevin J. Brunner         | 19                                    | 19                                       |

**CERTIFIED PUBLIC ACCOUNTANTS**  
CliftonLarsonAllen, Green Bay, Wisconsin

**BOND COUNCIL**  
Foley & Lardner, Madison, Wisconsin

**FINANCIAL CONSULTANTS**  
Robert W. Baird & Co., Inc., Milwaukee, Wisconsin

**THIS PAGE LEFT BLANK INTENTIONALLY**

# **FINANCIAL SECTION**

**THIS PAGE LEFT BLANK INTENTIONALLY**



## Independent auditors' report

To the Board of Commissioners  
Water Utility Commission  
Green Bay, Wisconsin

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Water Utility of the City of Green Bay, Wisconsin ("Utility") as of and for the year ended December 31, 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.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditors' 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 auditors consider internal control relevant to the Utility'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 Utility'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 financial position of the Utility as of December 31, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**EMPHASIS OF MATTER**

As described in Note 1A, the financial statements present only the Water Utility of the City of Green Bay, Wisconsin, and do not purport to, and do not present fairly the financial position of the City of Green Bay, Wisconsin, as of December 31, 2018 and the changes in its financial position or its cash flows for the year 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.

**OTHER MATTERS****Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 17 and the schedules relating to pensions on page 43 be presented to supplement the financial statements. Such information, although not 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 response 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.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Utility's financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary 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. Such 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on them.

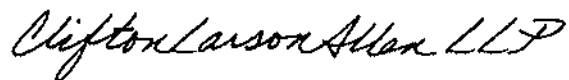
**Prior Year Summarized Financial Information**

The 2017 financial statements were audited by Schenck SC, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2019, and whose report dated June 18, 2018, expressed an unmodified opinion on those statements from which the prior year summarized financial information was derived.

Schenck SC previously audited, in accordance with auditing standards generally accepted in the United States of America, the Utility's financial statements for the year ended December 31, 2017, which are not presented with the accompanying financial statements and expressed an unmodified opinion on the financial statements and the related notes to the financial statements. That audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Utility's financial statements as a whole. The 2017 actual amounts in the Operating revenues and expenses, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 financial statements. The report of Schenck SC stated that the information has been subjected to the auditing procedures applied in the audit of those 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 their opinion, the 2017 actual amounts in the Operating revenues and expenses, were fairly stated in all material respects in relation to the financial statements from which they have been derived.

#### **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2019, on our consideration of the Utility's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Utility's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Utility's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin

June 3, 2019

**WATER UTILITY**  
**CITY OF GREEN BAY, WISCONSIN**  
Management's Discussion and Analysis  
December 31, 2018

As management of the Green Bay Water Utility, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2018.

**FUND STRUCTURE**

The Water Utility is a business type activity. As such, it records its transactions based on the flow of economic resources.

**FINANCIAL OPERATIONS SUMMARY**

Total operating and non-operating revenues (including capital contributions) were \$23.10 million in 2018 and expenses were \$19.07 million. The Utility's net position increased by \$4.03 million in 2018 to \$105.77 million. The \$7.3 million of unrestricted net position has been set aside to mitigate against the possibility of future water rate increases. Restricted net position and net position invested in property, plant and equipment were \$3.72 million and \$94.77 million, respectively.

**COMPARISON TO PRIOR FISCAL YEARS**

Water sales for 2018 were 6.14 billion gallons compared to 6.07 billion gallons in 2017 and 5.88 billion gallons in 2016. One major wholesale customer, the Village of Wrightstown, was added in 2016. No major customers were added or removed in 2017 or 2018.

Interest income increased in 2018. The average yield for 2018 was 2.83% compared to 2.38% for 2017 and 1.91% for 2016. The average investment balance decreased to \$6.7 million in 2018 from \$6.72 million in 2017. The average investment balance was \$7.47 million in 2016.

Utility operating expenses increased slightly in 2018 compared to 2017. The Utility added \$5.77 million in capital assets in 2018. Primarily, these capital assets consisted of water distribution mains, services, hydrants, and meters. Utility operating expenses increased slightly in 2017 compared to 2016. The Utility added \$5.49 million in capital assets in 2017. Primarily, these capital assets consisted of water supply and distribution mains, services, hydrants, and meters.

The bond interest expense decreased in 2018 compared to 2017 due to the decrease in interest cost since the 2006 and 2014 bonds were refinanced during 2017. The increase in bond interest expense in 2017 compared to 2016 was due to the refinancing costs.

The net position of the Utility increased by \$4.03 million in 2018. Overall, the net position of the Utility increased by \$3.01 million in 2017.



**WATER UTILITY**  
**CITY OF GREEN BAY, WISCONSIN**  
Management's Discussion and Analysis  
December 31, 2018

| <b>Revenues and Expenses</b>               | <b>Year Ending</b>   | <b>Year Ending</b>   | <b>Increase</b>   | <b>%</b>      |
|--|----------------------|----------------------|-------------------|---------------|
| <b>Year-to-Year Comparison</b>             | <b>Dec. 31, 2018</b> | <b>Dec. 31, 2017</b> | <b>(Decrease)</b> | <b>Change</b> |
| <b>Operating Revenues:</b>                 |                      |                      |                   |               |
| Operating revenue:                         |                      |                      |                   |               |
| Residential                                | \$6,414,239          | \$6,147,021          | \$267,218         | 4.35%         |
| Commercial                                 | 3,403,825            | 3,273,444            | 130,381           | 3.98%         |
| Industrial                                 | 4,820,093            | 4,740,471            | 79,622            | 1.68%         |
| Wholesale                                  | 3,251,388            | 3,281,062            | (29,674)          | -0.90%        |
| Public fire protection                     | 1,621,169            | 1,648,626            | (27,457)          | -1.67%        |
| All other                                  | 2,160,562            | 2,029,483            | 131,079           | 6.46%         |
| Total operating revenue                    | 21,671,276           | 21,120,107           | 551,169           | 2.61%         |
| <b>Operating Expenses:</b>                 |                      |                      |                   |               |
| Operating expenses                         | 16,997,219           | 16,832,308           | 164,911           | 0.98%         |
| Operating Income                           | 4,674,057            | 4,287,799            | 386,258           | 9.01%         |
| <b>Nonoperating Revenues and Expenses:</b> |                      |                      |                   |               |
| Interest income                            | 275,633              | 222,044              | 53,589            | 24.13%        |
| All other revenues                         | 144,923              | 149,382              | (4,459)           | -2.98%        |
| Interest expense                           | (1,693,833)          | (2,340,166)          | 646,333           | -27.62%       |
| Amortization                               | (158,203)            | 46,719               | (204,922)         | -438.63%      |
| Excess before contributions                | 3,242,577            | 2,365,778            | 876,799           | 37.06%        |
| Capital Contributions                      | 782,979              | 638,822              | 144,157           | 22.57%        |
| Change in net position                     | 4,025,556            | 3,004,600            | 1,020,956         | 33.98%        |
| Net position – beginning of year           | 101,748,256          | 98,743,656           | 3,004,600         | 3.04%         |
| Net position – end of year                 | \$ 105,773,812       | \$ 101,748,256       | \$ 4,025,556      | 3.96%         |

| <b>Revenues and Expenses</b>               | <b>Year Ending</b>   | <b>Year Ending</b>   | <b>Increase</b>   | <b>%</b>      |
|--|----------------------|----------------------|-------------------|---------------|
| <b>Year-to-Year Comparison</b>             | <b>Dec. 31, 2017</b> | <b>Dec. 31, 2016</b> | <b>(Decrease)</b> | <b>Change</b> |
| <b>Operating Revenues:</b>                 |                      |                      |                   |               |
| Operating revenue:                         |                      |                      |                   |               |
| Residential                                | \$6,147,021          | \$6,304,242          | \$ (157,221)      | -2.49%        |
| Commercial                                 | 3,273,444            | 3,289,651            | (16,207)          | -0.49%        |
| Industrial                                 | 4,740,471            | 4,323,113            | 417,358           | 9.65%         |
| Wholesale                                  | 3,281,062            | 3,150,957            | 130,105           | 4.13%         |
| Public fire protection                     | 1,648,626            | 1,647,390            | 1,236             | 0.08%         |
| All other                                  | 2,029,483            | 2,009,995            | 19,488            | 0.97%         |
| Total operating revenue                    | 21,120,107           | 20,725,348           | 394,759           | 1.90%         |
| <b>Operating Expenses:</b>                 |                      |                      |                   |               |
| Operating expenses                         | 16,832,308           | 16,564,290           | 268,018           | 1.62%         |
| Operating Income                           | 4,287,799            | 4,161,058            | 126,741           | 3.05%         |
| <b>Nonoperating Revenues and Expenses:</b> |                      |                      |                   |               |
| Interest income                            | 222,044              | 181,549              | 40,495            | 22.31%        |
| All other revenues                         | 149,382              | 176,614              | (27,232)          | -15.42%       |
| Interest expense                           | (2,340,166)          | (2,320,992)          | (19,174)          | 0.83%         |
| Amortization                               | 46,719               | 46,720               | (1)               | 0.00%         |
| Excess before contributions                | 2,365,778            | 2,244,949            | 120,829           | 5.38%         |
| Capital Contributions                      | 638,822              | 434,274              | 204,548           | 47.10%        |
| Change in net position                     | 3,004,600            | 2,679,223            | 325,377           | 12.14%        |
| Net position – beginning of year           | 98,743,656           | 96,064,433           | 2,679,223         | 2.79%         |
| Net position – end of year                 | \$ 101,748,256       | \$ 98,743,656        | \$ 3,004,600      | 3.04%         |

**WATER UTILITY**  
**CITY OF GREEN BAY, WISCONSIN**  
Management's Discussion and Analysis  
December 31, 2018

| <b>Summary of Net Position</b>          | <b>December 31,</b>  | <b>December 31,</b>  | <b>Increase</b>     |
|---|----------------------|----------------------|---------------------|
| <b>Year-to-Year Comparison</b>          | <b>2018</b>          | <b>2017</b>          | <b>(Decrease)</b>   |
| <b>Assets:</b>                          |                      |                      |                     |
| Cash and investments                    | \$11,811,572         | \$11,270,790         | \$540,782           |
| Receivables                             | 5,062,324            | 5,190,166            | (127,842)           |
| Other assets                            | 3,542,295            | 3,063,643            | 478,652             |
| Net property, plant and equipment       | 143,016,762          | 142,259,746          | 757,016             |
| <b>Total Assets</b>                     | <b>163,432,953</b>   | <b>161,784,345</b>   | <b>1,648,608</b>    |
| <b>Deferred Outflows of Resources:</b>  |                      |                      |                     |
| Deferred outflows                       | 2,142,710            | 2,548,247            | (405,537)           |
| <b>Liabilities:</b>                     |                      |                      |                     |
| Payables                                | 5,728,921            | 5,828,358            | (99,437)            |
| Accrued interest                        | 263,202              | 300,069              | (36,867)            |
| Other liabilities – current             | 410,585              | 194,868              | 215,717             |
| Other liabilities – long-term           | 168,112              | 371,101              | (202,989)           |
| Bonds payable – current                 | 3,560,000            | 3,405,000            | 155,000             |
| Bonds payable – long-term               | 48,251,133           | 51,857,853           | (3,606,720)         |
| <b>Total Liabilities</b>                | <b>58,381,953</b>    | <b>61,957,249</b>    | <b>(3,575,296)</b>  |
| <b>Deferred Inflows of Resources:</b>   |                      |                      |                     |
| Deferred inflows related to pension     | 1,419,898            | 627,087              | 792,811             |
| <b>Net Position:</b>                    |                      |                      |                     |
| Net investment in capital assets        | 94,765,629           | 90,401,893           | 4,363,736           |
| Restricted for debt retirement          | 2,969,150            | 3,049,249            | (80,099)            |
| Restricted for lead service replacement | 36,485               | 56,252               | (19,767)            |
| Restricted for net pension asset        | 718,059              | -                    | 718,059             |
| Unrestricted                            | 7,284,489            | 8,240,862            | (956,373)           |
| <b>Total Net Position</b>               | <b>\$105,773,812</b> | <b>\$101,748,256</b> | <b>\$4,025,556</b>  |
| <b>Summary of Net Position</b>          |                      |                      |                     |
| <b>Year-to-Year Comparison</b>          |                      |                      |                     |
|   | <b>December 31,</b>  | <b>December 31,</b>  | <b>Increase</b>     |
|   | <b>2017</b>          | <b>2016</b>          | <b>(Decrease)</b>   |
| <b>Assets:</b>                          |                      |                      |                     |
| Cash and investments                    | \$11,270,790         | \$12,112,994         | \$ (842,204)        |
| Receivables                             | 5,190,166            | 4,552,924            | 637,242             |
| Other assets                            | 3,063,643            | 3,141,771            | (78,128)            |
| Net property, plant and equipment       | 142,259,746          | 141,365,450          | 894,296             |
| <b>Total Assets</b>                     | <b>161,784,345</b>   | <b>161,173,139</b>   | <b>611,206</b>      |
| <b>Deferred Outflows of Resources:</b>  |                      |                      |                     |
| Deferred outflows                       | 2,548,247            | 1,925,919            | 622,328             |
| <b>Liabilities:</b>                     |                      |                      |                     |
| Payables                                | 5,828,358            | 5,473,295            | 355,063             |
| Accrued interest                        | 300,069              | 371,950              | (71,881)            |
| Other liabilities – current             | 194,868              | 100,000              | 94,868              |
| Other liabilities – long-term           | 371,101              | 576,989              | (205,888)           |
| Bonds payable – current                 | 3,405,000            | 3,010,000            | 395,000             |
| Bonds payable – long-term               | 51,857,853           | 54,109,573           | (2,251,720)         |
| <b>Total Liabilities</b>                | <b>61,957,249</b>    | <b>63,641,807</b>    | <b>(1,684,558)</b>  |
| <b>Deferred Inflows of Resources:</b>   |                      |                      |                     |
| Deferred inflows related to pension     | 627,087              | 713,595              | (86,508)            |
| <b>Net Position:</b>                    |                      |                      |                     |
| Net investment in capital assets        | 90,401,893           | 87,255,877           | 3,146,016           |
| Restricted for debt retirement          | 3,049,249            | 3,500,834            | (451,585)           |
| Restricted for lead service replacement | 56,252               | 5,998                | 50,254              |
| Unrestricted                            | 8,240,862            | 7,980,947            | 259,915             |
| <b>Total Net Position</b>               | <b>\$101,748,256</b> | <b>\$98,743,656</b>  | <b>\$ 3,004,600</b> |

**WATER UTILITY**  
**CITY OF GREEN BAY, WISCONSIN**  
Management's Discussion and Analysis  
December 31, 2018

**CAPITAL ASSETS CHANGES**

The Utility's total capital assets increased by \$5.77 million in 2018 and \$5.49 million in 2017. Of the 2018 increase, \$5.30 million was for new water mains, services, hydrants and meters. Of the 2017 increase, \$5.26 million was for new water mains, services, hydrants and meters. Total capital assets in service before depreciation were \$228.20 million and \$222.43 million as of December 31, 2018 and 2017 respectively. Construction in progress cost was \$47,639 as of December 31, 2018. There was no construction in progress cost as of December 31, 2017. All capital assets were funded by special assessments, developer contributions, Department of Homeland Security grants and Utility funds. Additional information can be found in Note 2 to the basic financial statements.

| <b>Changes in Capital Assets</b>  | <b>December 31,</b> | <b>December 31,</b> | <b>Increase</b>   | <b>%</b>      |
|-----------------------------------|---------------------|---------------------|-------------------|---------------|
| <b>Year-to-Year Comparison</b>    | <b>2018</b>         | <b>2017</b>         | <b>(Decrease)</b> | <b>Change</b> |
| <b>Capital Investment</b>         |                     |                     |                   |               |
| Land                              | \$ 524,689          | \$ 524,689          | \$ -              | 0.0%          |
| Buildings and improvements        | 24,551,814          | 24,297,942          | 253,872           | 1.0%          |
| Improvements other than buildings | 167,185,922         | 161,890,135         | 5,295,787         | 3.3%          |
| Machinery and equipment           | 35,888,829          | 35,720,617          | 168,212           | 0.5%          |
| Total in-service                  | 228,151,254         | 222,433,383         | 5,717,871         | 2.6%          |
| Construction in progress          | 47,639              | -                   | 47,639            |               |
| Total Capital Assets              | \$ 228,198,893      | \$ 222,433,383      | \$ 5,765,510      | 2.6%          |

| <b>Changes in Capital Assets</b>  | <b>December 31,</b> | <b>December 31,</b> | <b>Increase</b>   | <b>%</b>      |
|-----------------------------------|---------------------|---------------------|-------------------|---------------|
| <b>Year-to-Year Comparison</b>    | <b>2017</b>         | <b>2016</b>         | <b>(Decrease)</b> | <b>Change</b> |
| <b>Capital Investment</b>         |                     |                     |                   |               |
| Land                              | \$ 524,689          | \$ 524,689          | \$ -              | 0.0%          |
| Buildings and improvements        | 24,297,942          | 24,297,942          | -                 | 0.0%          |
| Improvements other than buildings | 161,890,135         | 156,629,657         | 5,260,478         | 3.4%          |
| Machinery and equipment           | 35,720,617          | 35,269,786          | 450,831           | 1.3%          |
| Total in-service                  | 222,433,383         | 216,722,074         | 5,711,309         | 2.6%          |
| Construction in progress          | -                   | 222,026             | (222,026)         |               |
| Total Capital Assets              | \$ 222,433,383      | \$ 216,944,100      | \$ 5,489,283      | 2.5%          |

**DEBT ADMINISTRATION**

All scheduled bond payments in 2018 and 2017 were made on time. Requirements of the revenue bond ordinances have also been met, in full, as of December 31, 2018 and 2017. In October 2004, the Water Utility issued revenue bonds in the amount of \$76,765,000. A portion of this issue was used to defease the \$17,740,000 of outstanding 1996 revenue bonds. The remaining amount was invested and used to fund new construction projects in 2005 and 2006. In November 2006, the Water Utility issued revenue bonds in the amount of \$49,310,000. The proceeds of this issue were used to refund a portion of the outstanding 2004 revenue bonds. In November 2014, the Water Utility issued revenue bonds in the amount of \$14,055,000. The proceeds of this issue were used to refund the remaining outstanding portion of the 2004 revenue bonds. In October 2017, revenue refunding bonds were issued in the amount of \$15,730,000. The proceeds of this issue were used to refund a portion of the 2006 and 2014 issues. The revenue bond debt outstanding was \$51.31 million and \$54.71

**WATER UTILITY**  
**CITY OF GREEN BAY, WISCONSIN**  
Management's Discussion and Analysis  
December 31, 2018

million as of December 31, 2018 and 2017 respectively. In 2014, Moody's Investor Service improved the rating of the Utility's revenue bonds from "Aa3" to "Aa2". Additional information can be found in Note 2 to the basic financial statements.

**Changes in Outstanding Bonded Debt**

| Year-to-Year Comparison | December 31,  | December 31,  | Increase       | %      |
|-------------------------|---------------|---------------|----------------|--------|
|                         | 2018          | 2017          | (Decrease)     | Change |
| <b>Debt Instrument</b>  |               |               |                |        |
| 2006 Revenue bond       | \$ 24,705,000 | \$ 27,090,000 | \$ (2,385,000) |        |
| 2014 Revenue bond       | 11,135,000    | 11,890,000    | (755,000)      |        |
| 2017 Revenue bond       | 15,465,000    | 15,730,000    | (265,000)      |        |
| Total                   | \$ 51,305,000 | \$ 54,710,000 | \$ (3,405,000) | -6.2%  |

| Year-to-Year Comparison | December 31,  | December 31,  | Increase        | %      |
|-------------------------|---------------|---------------|-----------------|--------|
|                         | 2017          | 2016          | (Decrease)      | Change |
| <b>Debt Instrument</b>  |               |               |                 |        |
| 2006 Revenue bond       | \$ 27,090,000 | \$ 43,890,000 | \$ (16,800,000) |        |
| 2014 Revenue bond       | 11,890,000    | 12,630,000    | (740,000)       |        |
| 2017 Revenue bond       | 15,730,000    | -             | 15,730,000      |        |
| Total                   | \$ 54,710,000 | \$ 56,520,000 | \$ (1,810,000)  | -3.2%  |

**INVESTMENT PORTFOLIO**

The Utility is required to invest its funds in accordance with Section 66.04(2) of the Wisconsin State Statutes. These statutes authorize numerous types of depository and investment obligations for municipal funds, and including those utilized by the Utility. In addition, the Utility has adopted an official investment policy which places additional limits on the amounts that can be invested in any one issuer, the lengths of maturity and the eligible financial institutions based on their credit ratings.

The Utility's cash and investment portfolio totaled \$11.88 million as of December 31, 2018, \$11.27 million as of December 31, 2017 and \$12.11 million as of December 31, 2016. It was earning a weighted average of 2.83% as of December 31, 2018, 2.38% as of December 31, 2017 and 1.91% as of December 31, 2016, based on original purchase price. These utility funds as of December 31, 2018, 2017 and 2016 were invested as follows:

**WATER UTILITY**  
**CITY OF GREEN BAY, WISCONSIN**  
Management's Discussion and Analysis  
December 31, 2018

| <b>Cash and Investment Type</b>                            | <b>Dec. 31, 2018</b> | <b>Dec. 31, 2017</b> | <b>Dec. 31, 2016</b> |
|--|----------------------|----------------------|----------------------|
| Wisconsin Local Government Investment Pool                 | 0.85%                | 0.80%                | 0.80%                |
| Certificates of deposit                                    | 13.60%               | 15.40%               | 16.40%               |
| Municipal government bonds                                 | 43.15%               | 42.00%               | 39.60%               |
| Interest-bearing money market, checking & Savings accounts | 42.40%               | 41.80%               | 43.20%               |
| <b>Total</b>   | <b>100.00%</b>       | <b>100.00%</b>       | <b>100.00%</b>       |

**OTHER FINANCIAL INFORMATION**

Annually, the Water Commission adopts a non-appropriated operating budget and a capital budget. Both budgets are used as financial plans in conjunction with the Utility's master plan to anticipate the needs for the current and subsequent years. The Utility's budgets are not formally integrated into the accounting system; however, a monthly analysis of anticipated rate of return and comparison of budget to actual operating income and expense is performed to control costs and avoid potential deficits.

There are no restrictions, commitments, or other limitations that would significantly affect the availability of fund resources for future use except those disclosed related to revenue bond requirements.

**Contacting the Water Utility's Financial Management**

This financial report is designed to provide Green Bay Water Utility's customers, investors, creditors and other interested parties with a general overview of the Water Utility's finances and to demonstrate the Water Utility's accountability of the money it receives. If you have any questions regarding this report or need additional financial information, please contact the Water Utility's Business Manager.

**WATER UTILITY**  
City of Green Bay, Wisconsin  
Statement of Net Position  
December 31, 2018 and 2017

|   | <b>Totals</b>      |                    |
|---|--------------------|--------------------|
|   | <b>2018</b>        | <b>2017</b>        |
| <b>ASSETS</b>                             |                    |                    |
| <b>Current assets</b>                     |                    |                    |
| Unrestricted Current assets               |                    |                    |
| Cash and investments                      | \$ 5,052,127       | \$ 4,369,873       |
| Receivables - Customer accounts           | 5,035,599          | 5,129,108          |
| Inventories                               | 520,195            | 494,698            |
| Prepaid items                             | 23,503             | 181,163            |
| Total unrestricted current assets         | <u>10,631,424</u>  | <u>10,174,842</u>  |
| Restricted Current assets                 |                    |                    |
| Bond Redemption Fund                      |                    |                    |
| Cash and investments                      | 885,712            | 1,006,253          |
| Accrued interest                          | 1,529              | 1,307              |
| Total bond redemption fund                | <u>887,241</u>     | <u>1,007,560</u>   |
| Lead Service Replacement Fund             |                    |                    |
| Cash and investments                      | 66,415             | 190,062            |
| Receivables - Grants                      | 26,725             | 61,058             |
| Total lead service replacement fund       | <u>93,140</u>      | <u>251,120</u>     |
| Total restricted current assets           | <u>980,381</u>     | <u>1,258,680</u>   |
| Total current assets                      | <u>11,611,805</u>  | <u>11,433,522</u>  |
| <b>Noncurrent assets</b>                  |                    |                    |
| Restricted assets                         |                    |                    |
| Debt reserve fund                         |                    |                    |
| Cash and investments                      | 5,873,733          | 5,704,602          |
| Accrued interest                          | 31,378             | 42,156             |
| Total Restricted assets                   | <u>5,905,111</u>   | <u>5,746,758</u>   |
| Other assets                              |                    |                    |
| Construction grant to wholesale customers | 538,050            | 569,700            |
| Non-utility plant (net of amortization)   | 1,643,166          | 1,774,619          |
| Net pension asset                         | 718,059            | -                  |
| Total other assets                        | <u>2,899,275</u>   | <u>2,344,319</u>   |
| Capital assets                            |                    |                    |
| Land                                      | 524,689            | 524,689            |
| Building and improvements                 | 24,551,814         | 24,297,942         |
| Improvements other than buildings         | 167,185,922        | 161,890,135        |
| Machinery and equipment                   | 35,888,829         | 35,720,617         |
| Construction in progress                  | 47,639             | -                  |
| Total capital assets                      | <u>228,198,893</u> | <u>222,433,383</u> |
| Less accumulated depreciation             | 85,182,131         | 80,173,637         |
| Net capital assets                        | <u>143,016,762</u> | <u>142,259,746</u> |
| Total non current assets                  | <u>151,821,148</u> | <u>150,350,823</u> |
| <b>TOTAL ASSETS</b>                       | <u>163,432,953</u> | <u>161,784,345</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                    |                    |
| Unamortized loss on advance refunding     | 813,997            | 1,018,920          |
| Pension related amounts                   | 1,328,713          | 1,529,327          |
| Total deferred outflows of resources      | <u>2,142,710</u>   | <u>2,548,247</u>   |

The notes to the basic financial statements are an integral part of this statement.

**WATER UTILITY**  
City of Green Bay, Wisconsin  
Statement of Net Position  
December 31, 2018 and 2017

|  | <b>Totals</b>         |                       |
|--|-----------------------|-----------------------|
|  | <b>2018</b>           | <b>2017</b>           |
| <b>LIABILITIES</b>                           |                       |                       |
| Current liabilities                          |                       |                       |
| Accounts payable                             | \$ 968,032            | \$ 808,450            |
| Sewer and storm water collections payable    | 4,760,889             | 4,652,899             |
| Accrued payroll taxes                        | 31,168                | 38,474                |
| Accrued compensated absences                 | 322,762               | 328,535               |
| Payable from restricted assets               |                       |                       |
| Current portion of long-term debt            | 3,560,000             | 3,405,000             |
| Accrued interest                             | 263,202               | 300,069               |
| Lead service replacement advance             | 56,655                | 194,868               |
| Total current liabilities                    | 9,962,708             | 9,728,295             |
| Long-term obligations, less current portion  |                       |                       |
| Revenue bonds                                | 47,745,000            | 51,305,000            |
| Debt premium net of discounts                | 506,133               | 552,853               |
| Compensated absences                         | 168,112               | 174,385               |
| Net pension liability                        | -                     | 196,716               |
| Total long-term liabilities                  | 48,419,245            | 52,228,954            |
| <b>TOTAL LIABILITIES</b>                     | <b>58,381,953</b>     | <b>61,957,249</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>         |                       |                       |
| Pension related amounts                      | 1,419,898             | 627,087               |
| <b>NET POSITION</b>                          |                       |                       |
| Net investment in capital assets             | 94,765,629            | 90,401,893            |
| Restricted for debt retirement               | 2,969,150             | 3,049,249             |
| Restricted for debt lead service replacement | 36,485                | 56,252                |
| Restricted for net pension asset             | 718,059               | -                     |
| Unrestricted                                 | 7,284,489             | 8,240,862             |
| <b>TOTAL NET POSITION</b>                    | <b>\$ 105,773,812</b> | <b>\$ 101,748,256</b> |

The notes to the basic financial statements are an integral part of this statement.

# WATER UTILITY

## City of Green Bay, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position  
For the Years Ended December 31, 2018 and 2017

|  | <b>Totals</b>         |                       |
|--|-----------------------|-----------------------|
|  | <b>2018</b>           | <b>2017</b>           |
| <b>OPERATING REVENUES</b>                    |                       |                       |
| Charges for services                         | \$ 20,150,120         | \$ 19,680,794         |
| Other  | 1,521,156             | 1,439,313             |
| Total operating revenues                     | <u>21,671,276</u>     | <u>21,120,107</u>     |
| <b>OPERATING EXPENSES</b>                    |                       |                       |
| Operation and maintenance                    | 9,390,756             | 9,317,482             |
| Depreciation                                 | 5,253,175             | 5,217,239             |
| Taxes  | 2,353,288             | 2,297,587             |
| Total operating expenses                     | <u>16,997,219</u>     | <u>16,832,308</u>     |
| Operating income                             | <u>4,674,057</u>      | <u>4,287,799</u>      |
| <b>NONOPERATING REVENUES (EXPENSES)</b>      |                       |                       |
| Interest income                              | 275,633               | 222,044               |
| Miscellaneous income                         | 144,923               | 149,382               |
| Interest and fiscal charges                  | (1,693,833)           | (2,340,166)           |
| Amortization of debt discount                | (385,645)             | (180,723)             |
| Amortization of debt premium                 | 227,442               | 227,442               |
| Total nonoperating revenues (expenses)       | <u>(1,431,480)</u>    | <u>(1,922,021)</u>    |
| Income before contributions<br>and transfers | 3,242,577             | 2,365,778             |
| Capital contributions                        | <u>782,979</u>        | <u>638,822</u>        |
| <b>Change in net position</b>                | 4,025,556             | 3,004,600             |
| <b>Net position - January 1</b>              | <u>101,748,256</u>    | <u>98,743,656</u>     |
| <b>Net position - December 31</b>            | <u>\$ 105,773,812</u> | <u>\$ 101,748,256</u> |

The notes to the basic financial statements are an integral part of this statement.



# WATER UTILITY

City of Green Bay, Wisconsin

Statement of Cash Flows

For the Years Ended December 31, 2018 and 2017

|  | <b>Totals</b>        |                     |
|--|----------------------|---------------------|
|  | <b>2018</b>          | <b>2017</b>         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                      |                     |
| Cash received from customers   | \$ 23,439,667        | \$ 21,639,018       |
| Cash paid for employee wages and benefits  | (3,993,347)          | (4,023,064)         |
| Cash paid to suppliers   | (8,295,772)          | (7,893,498)         |
| Net cash provided by operating activities  | 11,150,548           | 9,722,456           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                      |                      |                     |
| Acquisition of capital assets  | (5,693,385)          | (5,837,625)         |
| Advance received (used) for replacement of lead services   | (138,213)            | 94,868              |
| Sale of capital assets   | 25,176               | 25,309              |
| Proceeds from revenue bonds issued   | -                    | 15,730,000          |
| Principal paid on long-term debt   | (3,405,000)          | (17,540,000)        |
| Interest paid on long-term debt  | (1,730,700)          | (2,231,700)         |
| Net cash flows provided (used) by capital and related financing activities                           | (10,942,122)         | (9,759,148)         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                      |                     |
| Proceeds from the maturity on investments  | 5,952,366            | 5,807,397           |
| Purchase of investments  | (6,114,000)          | (6,521,000)         |
| Interest received  | 286,189              | 223,847             |
| Net cash provided (used) by investing activities   | 124,555              | (489,756)           |
| <b>Change in cash and cash equivalents</b>   | 332,981              | (526,448)           |
| <b>Cash and cash equivalents - January 1</b>   | 4,705,674            | 5,232,122           |
| <b>Cash and cash equivalents - December 31</b>   | <u>\$ 5,038,655</u>  | <u>\$ 4,705,674</u> |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>               |                      |                     |
| Operating income   | \$ 4,674,057         | \$ 4,287,799        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities |                      |                     |
| Depreciation   | 5,027,530            | 4,994,158           |
| Depreciation charged to sewer utility  | 225,645              | 223,081             |
| Depreciation allocated to other accounts   | 432,942              | 389,375             |
| Amortization of non-utility plant  | 131,453              | 131,453             |
| Miscellaneous other income   | 144,923              | 149,382             |
| Change in liability (asset) and deferred outflows and inflows of resources                           |                      |                     |
| Pension  | 78,650               | 167,761             |
| Other postemployment benefits  | -                    | (30,470)            |
| Change in operating assets and liabilities   |                      |                     |
| Accounts receivables   | 127,842              | (702,777)           |
| Inventories  | (25,497)             | (37,318)            |
| Prepaid items  | 157,660              | (4,195)             |
| Accounts payable   | 188,922              | 171,898             |
| Accrued liabilities  | (13,579)             | (17,691)            |
| Net cash provided by operating activities  | <u>\$ 11,150,548</u> | <u>\$ 9,722,456</u> |
| Reconciliation of cash and cash equivalents to the statement of net position                         |                      |                     |
| Cash and cash equivalents in current assets  | \$ 4,951,075         | \$ 4,270,704        |
| Cash and cash equivalents in restricted assets   | 87,580               | 434,970             |
| Total cash and cash equivalents  | <u>\$ 5,038,655</u>  | <u>\$ 4,705,674</u> |
| Noncash capital and related financing activities   |                      |                     |
| Increase in fair value of investments held at year end   | \$ 32,907            | \$ 43,463           |
| Capital assets contributed by customers  | \$ 782,980           | \$ 688,595          |

The notes to the basic financial statements are an integral part of this statement.

# Water Utility

## City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

---

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Green Bay Water Utility, City of Green Bay, Wisconsin (the “Utility”), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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:

#### **A. REPORTING ENTITY**

The Utility and the Board of Waterworks Commissioners (the Commission) were created by City of Green Bay (the City) ordinance. The Commission provides nonpartisan management to the Utility pursuant to Chapter 66 of the Wisconsin Statutes. The Commissioners are appointed to seven-year, non-concurrent terms. The Utility encompasses all water supply and transmission operations within the City. The Utility is a department of the City. In compliance with Governmental Accounting Standards Board (GASB) Statement No. 61, the Utility is presented as an enterprise fund in the City’s Comprehensive Annual Financial Report (CAFR), which is available from the City’s Finance Department at 100 North Jefferson Street, Green Bay, Wisconsin.

#### **B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The Utility accounts for its operations as an enterprise fund. Enterprise funds are used to account for government operations that are financed and operated in a manner similar to private business with the intent that the costs (expenses, including depreciation) of providing services to the general public be financed primarily through user charges.

The Utility financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish *operating* revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an Enterprise fund’s principal ongoing operations. The principal operating revenues of the Utility are charges to customers for services. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

The Utility is regulated by the Public Service Commission of Wisconsin (PSCW) pursuant to Chapter 196 of the Wisconsin Statutes. The PSCW prescribes accounting policies under a uniform system of accounts for municipal water utilities and approves their rates. These accounting practices are in substantial agreement with generally accepted accounting principles as applicable to governmental enterprise funds except for the recording of additional accumulated depreciation on contributed plant received prior to calendar year 2003 and the accrual of the tax equivalent in the year preceding payment. These PSCW-prescribed accounting practices are not implemented for reporting purposes in this financial report.

#### **C. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE**

##### **1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

##### **2. Accounts Receivable**

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since the Utility has the right under Wisconsin Statute 66.069 to place delinquent water bills on the tax roll for collection.

##### **3. Inventories**

Inventories are recorded at cost, which approximates market, using the weighted average method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

##### **4. Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

#### 5. Restricted Assets

Certain proceeds from waterworks revenue bonds and Utility funds set aside for their repayment are classified as restricted on the statement of net position because their use is limited by applicable bond covenants. In addition, certain assets are restricted by external grantors for specific purposes and the pension plan maintains a net pension asset at December 31, 2018.

#### 6. Capital Assets

Capital assets are defined by the Utility as assets with an initial, individual costs of \$500 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Estimated lives and depreciation rates are established by the PSCW. The estimated useful lives are as follows:

| Assets                            | Years |
|-----------------------------------|-------|
| Buildings                         | 31-35 |
| Improvements other than buildings | 18-77 |
| Machinery and equipment           | 3-30  |

#### 7. Sewer and Storm Water Collections

The Utility performs the billing and collection functions for the City of Green Bay Sanitary Sewer Fund and the City of Green Bay Storm Water Utility. After collection, these funds are remitted to the City. The Utility charges the City for these services at cost plus a return on investment.

#### 8. Compensated Absences

It is the Utility's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies. All vacation and sick leave is accrued when incurred. A majority of the compensated absences are recorded as a current liability for these amounts are expected to be used within one year.

#### 9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes 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 so will not be recognized as an outflow of resources (expense) until then. The Utility has two items that qualifies for reporting in this category. The first is the unamortized loss on refunding resulting from

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to the Utility's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Utility has one item that qualifies for reporting in this category. The item is related to the Utility's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

#### 10. Long-term Obligations

Long-term debt and other long-term obligations are reported as Utility liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

#### 11. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, 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.

#### 12. Net Position

Net Position is classified in three components:

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

#### **D. USE OF ESTIMATES**

The 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### **E. PRIOR YEAR INFORMATION**

Comparative amounts for the prior year have been presented in the financial statements to provide an understanding of changes in the Utility's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

#### **F. RECLASSIFICATIONS**

Certain amounts in the prior year financial statements have been reclassified to conform to the presentation in the current year financial statements with no change in previously reported net position or changes in net position.

### **NOTE 2: DETAILED NOTES ON ALL FUNDS**

#### **A. CASH AND INVESTMENTS**

The Utility maintains various restricted and non-restricted cash and investment accounts. Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

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

The carrying amount of the Utility's cash and investments totaled \$11,877,987 on December 31, 2018 and \$11,270,790 on December 31, 2017 as summarized below:

|  | 2018          | 2017          |
|--|---------------|---------------|
| Petty cash and cash on hand                                  | \$ 1,700      | \$ 3,500      |
| Deposits with financial institutions                         | 5,036,955     | 4,702,174     |
| Investments  |               |               |
| Negotiable certificate of deposit with maturity over 90 days | 1,612,858     | 1,734,057     |
| Wisconsin local government investment pool                   | 101,052       | 99,169        |
| State and local government securities                        | 5,125,422     | 4,731,890     |
|  | \$ 11,877,987 | \$ 11,270,790 |

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

|   | 2018          | 2017          |
|---|---------------|---------------|
| Reconciliation to the financial statements: |               |               |
| Unrestricted current assets                 |               |               |
| Cash and investments                        | \$ 5,052,127  | \$ 4,369,873  |
| Restricted current assets                   |               |               |
| Cash and investments                        | 952,127       | 1,196,315     |
| Restricted noncurrent assets                |               |               |
| Cash and investments                        | 5,873,733     | 5,704,602     |
|   | \$ 11,877,987 | \$ 11,270,790 |

#### Fair Value Measurements

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 observable inputs; Level 3 inputs are significant unobservable inputs. The Utility has the following fair value measurements as of December 31, 2018 and December 31, 2017.

- State and local government securities are valued using significant observable inputs (Level 2 inputs) of quoted prices for similar assets in active markets.
- Negotiable certificates of deposit are valued using significant observable inputs (Level 2 inputs) of quoted prices for similar assets in active markets.

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

#### Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Utility does not have an additional custodial credit policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2018, \$5,149,309 and as of December 31, 2017, \$4,271,382 of the Utility's deposits with financial institutions were in excess of federal and state depository insurance limits. All amounts were collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Utility's name.

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

| Investment Type                            | Amount              | Aa1               | Aa2                 | Aa3               | AA+ to A+           | A to AA-          | Exempt from Disclosure Not Rated |
|--|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|----------------------------------|
| <b>December 31, 2018</b>                   |                     |                   |                     |                   |                     |                   |                                  |
| State and Local agency securities          | \$ 5,125,422        | \$ 309,066        | \$ 3,147,692        | \$ -              | \$ 1,172,070        | \$ 496,594        | \$ -                             |
| Negotiable certificates of deposit         | 1,612,858           | -                 | -                   | -                 | 1,612,858           | -                 | -                                |
| Wisconsin local government investment pool | 101,052             | -                 | -                   | -                 | -                   | -                 | 101,052                          |
| <b>Totals</b>                              | <b>\$ 6,839,332</b> | <b>\$ 309,066</b> | <b>\$ 3,147,692</b> | <b>\$ -</b>       | <b>\$ 2,784,928</b> | <b>\$ 496,594</b> | <b>\$ 101,052</b>                |
| <b>December 31, 2017</b>                   |                     |                   |                     |                   |                     |                   |                                  |
| State and Local agency securities          | \$ 4,731,890        | \$ 255,000        | \$ 2,015,000        | \$ 570,000        | \$ 1,891,890        | \$ -              | \$ -                             |
| Negotiable certificates of deposit         | 1,734,057           | -                 | -                   | -                 | 1,734,057           | -                 | -                                |
| Wisconsin local government investment pool | 99,169              | -                 | -                   | -                 | -                   | -                 | 99,169                           |
| <b>Totals</b>                              | <b>\$ 6,565,116</b> | <b>\$ 255,000</b> | <b>\$ 2,015,000</b> | <b>\$ 570,000</b> | <b>\$ 3,625,947</b> | <b>\$ -</b>       | <b>\$ 99,169</b>                 |



# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

#### Concentration of Credit Risk

The investment policy of the Utility limits the amount that can be invested in any one issuer as presented below. This policy does not apply to investments held in the Debt Reserve Fund which are invested in accordance with terms of the 2006 debt financing transaction.

| Investment Type                      | Limit         |
|--------------------------------------|---------------|
| U.S. treasury note (per issue)       | \$ 5,000,000  |
| U.S. agency (per issue)              | \$ 5,000,000  |
| Commercial paper & notes (per issue) | \$ 1,000,000  |
| WI local government investment pool  | \$ 10,000,000 |

Investments in any one issuer (other than U.S. treasury securities, mutual funds and external investment pools) that represent 5% or more of the total Utility investment are as follows:

| Issuer               | Investment Type          | December 31, 2018 | December 31, 2017 |
|----------------------|--------------------------|-------------------|-------------------|
| New York Housing     | State municipal bond     | \$ 1,000,000      | \$ 1,000,000      |
| Rhode Island Housing | State municipal bond     | 785,000           | 785,000           |
| Vermont Housing      | State municipal bond     | 460,000           | 570,000           |
| Milwaukee Housing    | Local municipal bond     | 455,000           | 455,000           |
| Chaska Economic Dev. | Local municipal bond     | 395,000           | 395,000           |
| Associated Bank, NA  | Certificates of deposits | 885,000           | 1,004,000         |

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

One of the ways that the Utility manages its exposure to interest rate risk is by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. By laddering its portfolio to match scheduled disbursements and by maintaining a prudent balance in an interest-bearing checking account for unexpected draws, the Utility ensures sufficient liquidity to meet its cash flow needs. The Utility's investment policy requires that the portfolio weighted average maturity shall remain below twelve months. This policy does not apply to investments held in the Debt Reserve Fund which are invested in accordance with terms of the 2006 debt financing transaction. The Utility does not have a formal investment policy relating to specific investment-related risk.

Information about the sensitivity of the fair values of the Utility's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Utility's investments by maturity:

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

| Investment Type                            | Amount       | Remaining Maturity (in Months) |                 |                 |                     |
|--|--------------|--------------------------------|-----------------|-----------------|---------------------|
|  |              | 12 Months or Less              | 13 to 24 Months | 25 to 60 Months | More Than 60 Months |
| <b>December 31, 2018</b>                   |              |                                |                 |                 |                     |
| <b>Debt Reserve Fund Investments</b>       |              |                                |                 |                 |                     |
| State and Local agency securities          | \$ 5,125,422 | \$ -                           | \$ 1,348,499    | \$ 1,902,070    | \$ 1,874,853        |
| Negotiable certificates of deposit         | 727,858      | -                              | -               | -               | 727,858             |
| Total Debt Reserve Fund                    | 5,853,280    | -                              | 1,348,499       | 1,902,070       | 2,602,711           |
| <b>Investments other than Debt Reserve</b> |              |                                |                 |                 |                     |
| Wisconsin local government investment pool |              |                                |                 |                 |                     |
|  | 101,052      | 101,052                        | -               | -               | -                   |
| Negotiable certificates of deposit         |              |                                |                 |                 |                     |
|  | 885,000      | 885,000                        | -               | -               | -                   |
| Total Investments other than Debt Reserve  | 986,052      | 986,052                        | -               | -               | -                   |
| Total Investments                          | \$ 6,839,332 | \$ 986,052                     | \$ 1,348,499    | \$ 1,902,070    | \$ 2,602,711        |
| <b>December 31, 2017</b>                   |              |                                |                 |                 |                     |
| <b>Debt Reserve Fund Investments</b>       |              |                                |                 |                 |                     |
| State and Local agency securities          | \$ 4,731,890 | \$ -                           | \$ -            | \$ 1,065,996    | \$ 3,665,894        |
| Negotiable certificates of deposit         | 730,057      | -                              | -               | -               | 730,057             |
| Total Debt Reserve Fund                    | 5,461,947    | -                              | -               | 1,065,996       | 4,395,951           |
| <b>Investments other than Debt Reserve</b> |              |                                |                 |                 |                     |
| Wisconsin local government investment pool |              |                                |                 |                 |                     |
|  | 99,169       | 99,169                         | -               | -               | -                   |
| Negotiable certificates of deposit         |              |                                |                 |                 |                     |
|  | 1,004,000    | 1,004,000                      | -               | -               | -                   |
| Total Investments other than Debt Reserve  | 1,103,169    | 1,103,169                      | -               | -               | -                   |
| Total Investments                          | \$ 6,565,116 | \$ 1,103,169                   | \$ -            | \$ 1,065,996    | \$ 4,395,951        |

#### Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

On December 31, 2018 and 2017, the Utility's held no investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

#### Investments in Wisconsin Local Government Investment Pool

The Utility has investments in the Wisconsin local government investment pool of \$101,052 and \$99,169 as of December 31, 2018 and 2017 respectively. 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, 2018 and 2017, the fair value of the Utility's share of the LGIP's assets was substantially equal to the carrying value.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

nationally recognized statistical rating organizations. The Utility does not have an additional credit risk policy. The Utility's investment in the Wisconsin local government investment pool is not rated.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Utility does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments held by the Wisconsin local government investment pool mature in 12 months or less.

#### **B. RESTRICTED ASSETS**

The restricted assets consist of cash and investments held in the debt reserve and bond redemption funds along with accrued interest as required by revenue bond ordinances and the lead service replacement fund as required by the grant agreement and the net pension asset maintained by the Wisconsin Retirement System.

The debt reserve fund requires a balance equal to the minimum reserve amount as defined in the 2006 series revenue bond. This minimum amount was \$5,423,400 as of December 31, 2018 and 2017. The debt reserve fund account had cash and investments available of \$5,905,111 and \$5,746,758 at December 31, 2018 and 2017 respectively, which were in compliance with the bond ordinance.

The bond redemption fund accumulates monies to be used to make principal and interest payments as they mature. Transfers are made to this fund on a monthly basis. The bond redemption fund balances at December 31, 2018 and 2017 were \$887,241 and \$1,007,560 respectively. The bond redemption fund was also in compliance with bond ordinances. The excess restricted assets over current liabilities payable from restricted assets is shown as restricted for debt retirement and restricted for lead service replacement and restricted for net pension asset in the net position section on the statement of net position.

The lead service replacement fund assets are required by grant to be used for the replacement of lead service lines. The excess restricted assets over current liabilities payable from restricted assets is shown as restricted for lead service replacement in the net position section on the statement of net position.

#### **C. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

|   | Beginning<br>Balance  | Increases           | Decreases         | Ending<br>Balance     |
|---|-----------------------|---------------------|-------------------|-----------------------|
| <b>December 31, 2018</b>                                      |                       |                     |                   |                       |
| Capital assets, not being depreciated:                        |                       |                     |                   |                       |
| Land  | \$ 524,689            | \$ -                | \$ -              | \$ 524,689            |
| Construction in progress                                      | -                     | 47,639              | -                 | 47,639                |
| Total capital assets, not being depreciated                   | 524,689               | 47,639              | -                 | 572,328               |
| Capital assets, being depreciated:                            |                       |                     |                   |                       |
| Buildings and improvements                                    | 24,297,942            | 255,027             | 1,155             | 24,551,814            |
| Machinery and equipment                                       | 35,720,617            | 500,390             | 332,178           | 35,888,829            |
| Improvements other than buildings                             | 161,890,135           | 5,673,309           | 377,522           | 167,185,922           |
| Subtotals   | 221,908,694           | 6,428,726           | 710,855           | 227,626,565           |
| Less accumulated depreciation for:                            |                       |                     |                   |                       |
| Buildings and improvements                                    | 15,551,527            | 773,990             | 1,155             | 16,324,362            |
| Machinery and equipment                                       | 22,620,663            | 1,795,919           | 324,122           | 24,092,460            |
| Improvements other than buildings                             | 42,001,447            | 3,141,383           | 377,521           | 44,765,309            |
| Subtotals   | 80,173,637            | 5,711,292           | 702,798           | 85,182,131            |
| Total capital assets, being depreciated, net                  | 141,735,057           | 717,434             | 8,057             | 142,444,434           |
| Total capital assets, net                                     | <u>\$ 142,259,746</u> | <u>\$ 765,073</u>   | <u>\$ 8,057</u>   | <u>\$ 143,016,762</u> |
| Reconciliation of 2018 increases in accumulated depreciation: |                       |                     |                   |                       |
| Depreciation expense on schedule of operating expenses        |                       | \$ 5,253,175        |                   |                       |
| Depreciation allocated to other accounts                      |                       | 432,942             |                   |                       |
| Total depreciation expense                                    |                       | 5,686,117           |                   |                       |
| Salvage value received on capital assets retired              |                       | 25,175              |                   |                       |
| Total additions in accumulated depreciation                   |                       | <u>\$ 5,711,292</u> |                   |                       |
| <b>December 31, 2017</b>                                      |                       |                     |                   |                       |
| Capital assets, not being depreciated:                        |                       |                     |                   |                       |
| Land  | \$ 524,689            | \$ -                | \$ -              | \$ 524,689            |
| Construction in progress                                      | 222,026               | -                   | 222,026           | -                     |
| Total capital assets, not being depreciated                   | 746,715               | -                   | 222,026           | 524,689               |
| Capital assets, being depreciated:                            |                       |                     |                   |                       |
| Buildings and improvements                                    | 24,297,942            | -                   | -                 | 24,297,942            |
| Machinery and equipment                                       | 35,269,786            | 1,064,269           | 613,438           | 35,720,617            |
| Improvements other than buildings                             | 156,629,657           | 5,683,976           | 423,498           | 161,890,135           |
| Subtotals   | 216,197,385           | 6,748,245           | 1,036,936         | 221,908,694           |
| Less accumulated depreciation for:                            |                       |                     |                   |                       |
| Buildings and improvements                                    | 14,781,569            | 769,958             | -                 | 15,551,527            |
| Machinery and equipment                                       | 21,398,690            | 1,835,411           | 613,438           | 22,620,663            |
| Improvements other than buildings                             | 39,398,391            | 3,026,554           | 423,498           | 42,001,447            |
| Subtotals   | 75,578,650            | 5,631,923           | 1,036,936         | 80,173,637            |
| Total capital assets, being depreciated, net                  | 140,618,735           | 1,116,322           | -                 | 141,735,057           |
| Total capital assets, net                                     | <u>\$ 141,365,450</u> | <u>\$ 1,116,322</u> | <u>\$ 222,026</u> | <u>\$ 142,259,746</u> |
| Reconciliation of 2018 increases in accumulated depreciation: |                       |                     |                   |                       |
| Depreciation expense on schedule of operating expenses        |                       | \$ 5,217,239        |                   |                       |
| Depreciation allocated to other accounts                      |                       | 389,375             |                   |                       |
| Total depreciation expense                                    |                       | 5,606,614           |                   |                       |
| Salvage value received on capital assets retired              |                       | 25,309              |                   |                       |
| Total additions in accumulated depreciation                   |                       | <u>\$ 5,631,923</u> |                   |                       |

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

#### D. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Utility for the year ended December 31, 2018 and 2017:

|                                   | <b>Beginning<br/>Balance</b> | <b>Issued</b>        | <b>Retired</b>       | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|-----------------------------------|------------------------------|----------------------|----------------------|---------------------------|--------------------------------|
| <b>December 31, 2018</b>          |                              |                      |                      |                           |                                |
| Revenue bonds                     | \$ 54,710,000                | \$ -                 | \$ 3,405,000         | \$51,305,000              | \$ 3,560,000                   |
| Debt premium                      | 552,853                      | -                    | 46,720               | 506,133                   | -                              |
| Compensated absences              | 502,920                      | 304,599              | 316,645              | 490,874                   | 322,762                        |
| Post employment benefit liability | -                            | -                    | -                    | -                         | -                              |
| Net pension liability             | 196,716                      | -                    | 196,716              | -                         | -                              |
| Long-term obligations             | <u>\$ 55,962,489</u>         | <u>\$ 304,599</u>    | <u>\$ 3,965,081</u>  | <u>\$52,302,007</u>       | <u>\$ 3,882,762</u>            |
| <b>December 31, 2017</b>          |                              |                      |                      |                           |                                |
| Revenue bonds                     | \$ 56,520,000                | \$ 15,730,000        | \$ 17,540,000        | \$54,710,000              | \$ 3,405,000                   |
| Debt premium                      | 599,573                      | -                    | 46,720               | 552,853                   | -                              |
| Compensated absences              | 519,355                      | 311,878              | 328,313              | 502,920                   | 328,535                        |
| Post employment benefit liability | 30,470                       | -                    | 30,470               | -                         | -                              |
| Net pension liability             | 339,039                      | -                    | 142,323              | 196,716                   | -                              |
| Long-term obligations             | <u>\$ 58,008,437</u>         | <u>\$ 16,041,878</u> | <u>\$ 18,087,826</u> | <u>\$55,962,489</u>       | <u>\$ 3,733,535</u>            |

#### Advance Refunding

During 2006, the Water Utility advance refunded a portion of the revenue bond issue from 2004. The Water Utility issued \$49,310,000 of revenue bonds which were used to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds were considered to be defeased and the liability was removed from the enterprise fund. The outstanding revenue bonds defeased were \$45,555,000 and have maturities from 2019 through 2029. At December 31, 2018 and 2017, the outstanding balances of the bonds defeased were \$37,285,000 and \$39,505,000 respectively.

During 2017, the Water Utility advance refunded a portion of the revenue bond issue from 2006. The Water Utility issued \$15,730,000 of revenue bonds which were used to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds were considered to be defeased and the liability was removed from the enterprise fund. The outstanding revenue bonds defeased were \$14,530,000 and have maturities from 2020 through 2024. At December 31, 2018 and 2017, the outstanding balances of the bonds defeased were \$14,530,000. This advance refunding was undertaken to reduce total debt service payments over the applicable period of 5 years by \$745,310 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$685,957.

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

#### Revenue Bonds

Revenue bonds outstanding on December 31, 2018 and 2017 totaled \$51,305,000 and \$54,710,000 respectively and were comprised of the following issues:

|   | <b>Date of Issue</b> | <b>Final Maturity</b> | <b>Interest Rates</b> | <b>Original Indebtedness</b> | <b>Balance 12/31/18</b> | <b>Balance 12/31/17</b> |
|---|----------------------|-----------------------|-----------------------|------------------------------|-------------------------|-------------------------|
| Revenue Bonds                             | 11/1/06              | 11/1/29               | 3.50 - 5.00%          | \$ 49,310,000                | \$ 24,705,000           | \$ 27,090,000           |
| Revenue Bonds                             | 10/14/14             | 11/1/29               | 2.00 - 3.50%          | 14,055,000                   | 11,135,000              | 11,890,000              |
| Revenue Bonds                             | 10/17/17             | 11/1/24               | 1.47 - 2.56%          | 15,730,000                   | 15,465,000              | 15,730,000              |
| Total outstanding general obligation debt |                      |                       |                       |                              | <u>\$ 51,305,000</u>    | <u>\$ 54,710,000</u>    |

Annual principal and interest maturities of the outstanding revenue bonds are detailed below:

| <b>Year Ended December 31,</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>         |
|--------------------------------|----------------------|----------------------|----------------------|
| 2019                           | \$ 3,560,000         | \$ 1,579,210         | \$ 5,139,210         |
| 2020                           | 3,705,000            | 1,434,179            | 5,139,179            |
| 2021                           | 3,775,000            | 1,366,211            | 5,141,211            |
| 2022                           | 3,855,000            | 1,282,958            | 5,137,958            |
| 2023                           | 3,945,000            | 1,192,113            | 5,137,113            |
| 2024 - 2027                    | 17,265,000           | 3,610,858            | 20,875,858           |
| 2028-2029                      | 15,200,000           | 898,800              | 16,098,800           |
|                                | <u>\$ 51,305,000</u> | <u>\$ 11,364,329</u> | <u>\$ 62,669,329</u> |

#### E. PENSION PLAN

##### 1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year 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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are 1) final average earnings, 2) years of creditable service, and 3) a formula factor.

Final average earnings are the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

## 2. 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:

| Year | Core Fund Adjustment | Variable Fund Adjustment |
|------|----------------------|--------------------------|
| 2007 | 3%                   | 10%                      |
| 2008 | 6.6                  | 0                        |
| 2009 | (2.1)                | (42)                     |
| 2010 | (1.3)                | 22                       |
| 2011 | (1.2)                | 11                       |
| 2012 | (7.0)                | (7)                      |
| 2013 | (9.6)                | 9                        |
| 2014 | 4.7                  | 25                       |
| 2015 | 2.9                  | 2                        |
| 2016 | 0.5                  | (5)                      |
| 2017 | 2.0                  | 4                        |

# Water Utility

## City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

---

### 3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remained of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$271,815 in contributions from the Utility.

Contribution rates for the reporting period are:

| Employee Category                  | Employee | Employer |
|------------------------------------|----------|----------|
| General                            | 6.8%     | 6.8%     |
| Executives & Elected Officials     | 6.8%     | 6.8%     |
| Protective with Social Security    | 6.8%     | 10.6%    |
| Protective without Social Security | 6.8%     | 14.9%    |

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

At December 31, 2018, the Utility reported an asset of \$718,059 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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 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, 2017, the Utility's proportion was .56415122%, which was an increase of .01617196% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Utility recognized pension expense of \$78,650.

At December 31, 2018, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 912,312                        | \$ 426,749                       |
| Net differences between projected and actual earnings on pension plan investments                             | -                                 | 986,905                          |
| Changes in assumptions  | 141,874                           | -                                |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 2,712                             | 6,244                            |
| Employer contributions subsequent to the measurement date   | 271,815                           | -                                |
| <b>Total</b>  | <b>\$ 1,328,713</b>               | <b>\$ 1,419,898</b>              |

The \$271,815 reported as deferred outflows related to pension resulting from the Utility's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year ended<br>December 31, | Net Deferred Outflow<br>of Resources |
|----------------------------|--------------------------------------|
| 2019                       | \$ 77,513                            |
| 2020                       | (7,622)                              |
| 2021                       | (248,246)                            |
| 2022                       | (186,368)                            |
| 2023                       | 1,723                                |
| Total                      | <b>\$ (363,000)</b>                  |

#### 5. Actuarial Assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  |                                |
|--|--------------------------------|
| Actuarial valuation date:                          | December 31, 2016              |
| Measurement date of net pension liability (asset): | December 31, 2017              |
| Actuarial cost method:                             | Entry Age                      |
| Asset valuation method:                            | Fair Market Value              |
| Long-term expected rate of return:                 | 7.2%                           |
| Discount rate:                                     | 7.2%                           |
| Salary increases:                                  |                                |
| Inflation  | 3.2%                           |
| Seniority/Merit                                    | 0.2% - 5.6%                    |
| Mortality  | Wisconsin 2012 Mortality Table |
| Post-retirement adjustments*                       | 2.1%                           |

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

\* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is 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 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

**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 arithmetic real rates of return for each major asset class are summarized in the following table:

|  | <b>Current Asset<br/>Allocation %</b> | <b>Long-term<br/>Expected Nominal<br/>Rate of Return %</b> | <b>Long-term<br/>Expected Real<br/>Rate of Return %</b> |
|--|---------------------------------------|--|---|
| <b>Core Fund Asset Class</b>   |                                       |  |   |
| Global equities  | 50%                                   | 8.2%   | 5.3%  |
| Fixed income   | 24.5%                                 | 4.2%   | 1.4%  |
| Inflation sensitive assets   | 15.5%                                 | 3.8%   | 1.0%  |
| Real estate  | 8%                                    | 6.5%   | 3.6%  |
| Private equity/debt  | 8%                                    | 9.4%   | 6.5%  |
| Multi-asset  | 4%                                    | 6.5%   | 3.6%  |
| Total Core Fund  | 110%                                  | 7.3%   | 4.4%  |
| <b>Variable Fund Asset Class</b>   |                                       |  |   |
| U.S. equities  | 70%                                   | 7.5%   | 4.6%  |
| International equities   | 30%                                   | 7.8%   | 4.9%  |
| Total Variable Fund  | 100%                                  | 7.9%   | 5.0%  |
| New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%   |                                       |  |   |
| Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations |                                       |  |   |

**Single Discount Rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 members

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

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.

**Sensitivity of the Utility’s proportionate share of the net pension asset to changes in the discount rate.** The following presents the Utility’s proportionate share of the net pension asset calculated using the discount rate of 7.2 percent, as well as what the Utility’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

|   | 1% Decrease to<br>Discount Rate<br>(6.20%) | Current<br>Discount Rate<br>(7.20%) | 1% Increase to<br>Discount Rate<br>(8.20%) |
|---|--|-------------------------------------|--|
| Utility's proportionate share of<br>the net pension liability (asset) | \$ 1,857,863                               | \$ (718,059)                        | \$ (2,675,839)                             |

**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/publications/cafr.htm>.

#### 6. Payables to the Pension Plan

At December 31, 2018 and 2017, the Utility reported no outstanding amount of contributions to the pension plan for the year ended December 31, 2018 and 2017.

#### F. OTHER POSTEMPLOYMENT BENEFITS

**Plan Description:** The Utility provides health care insurance coverage for employees who retire until they reach the age of 65, under a plan administered by the City of Green Bay. The retired employee contributes 100% of the premium for family coverage or 100% of the premium for single coverage. The City of Green Bay obtained an actuarial valuation report dated January 1, 2017 in accordance with the parameters of GASB Statement No. 75. As a result of that report, no liability is applicable to the utility.

#### NOTE 3: OTHER INFORMATION

##### A. RISK MANAGEMENT

The Utility is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Utility along with the City completes an annual review of its insurance coverage to ensure adequate coverage.

# Water Utility

## City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

---

### Liability Self-Insurance Fund

During 1987, the City of Green Bay, along with the Utility as a department of the City, together with certain other units of government within the State of Wisconsin, created the Cities and Villages Mutual Insurance Company (CVMIC) to provide liability insurance services to its members under section 611.23 of the Wisconsin Statutes. The Utility, along with the City, is partially self-insured for liability insurance and pays premiums to CVMIC for its excess liability insurance coverage. The actuary for CVMIC determines premium charges to its members who are required to pay the expected claims and loss adjustment expenses. CVMIC's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each member. CVMIC provides general liability, public entity liability and vehicle liability coverage for the Utility and the City up to \$2,000,000. The Utility's self-insured retention limit is \$225,000 for any one occurrence, \$900,000 aggregate.

The City and Utility also carry excess insurance, which covers up to \$10,000,000. Premiums paid by the Utility to CVMIC are expensed over the term of the policy coverage period. A separate financial report is issued annually by CVMIC. Claims liabilities of \$1,134,533 at December 31, 2018 and \$1,040,670 at December 31, 2017 were reported in the City of Green Bay's liability self-insurance internal service fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the City's internal service fund's claim liability amount for 2018 and 2017 follow:

|      |              | Current Year |              |              |
|------|--------------|--------------|--------------|--------------|
|      | Liability    | Claims and   | Claims       | Liability    |
|      | January 1    | Changes in   | Payments     | December 31  |
|      |              | Estimates    |              |              |
| 2018 | \$ 1,040,670 | \$ 1,512,546 | \$ 1,418,683 | \$ 1,134,533 |
| 2017 | 510,224      | 1,073,246    | 542,800      | 1,040,670    |

### Health and Dental Self-Insurance Fund

Utility and City full-time employees, retirees and employee dependents are eligible for medical and dental benefits from a health and dental self-insurance fund. Funding is provided by charges to the Utility, the City, employees and retirees. Retirees are billed monthly for premiums for health and dental benefits based on actual costs for providing such benefits. Through December 31, 2012, retirees were allowed to pay the same premium as active employees. Effective January 1, 2013, a ten year plan was approved by the City Common council, whereby retirees' premiums will increase with medical inflation plus an average of 6.6% annually and accumulating over the ten year period to more accurately match their rates with costs incurred by the retiree group.

# Water Utility

## City of Green Bay, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

The program is supplemented by stop loss protection, which limits the Utility’s and City’s annual liability. The 2018 and 2017 stop loss limits are \$275,000 per specific claim plus an additional risk corridor of \$65,000. Fund expenses consist of payments to third-party consultant and administrators, medical and dental claims, and stop loss insurance premiums. The City of Green Bay’s health and dental self-insurance internal service fund had established equity reserves for future unreported claims of \$2,147,466 on December 31, 2018 and \$1,952,466 on December 31, 2017. Claims liabilities of \$534,697 at December 31, 2018 and \$541,706 at December 31, 2017 were reported in the City of Green Bay’s health and dental self-insurance internal service fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the City’s health and dental internal service fund’s claim liability amount for 2018 and 2017 follow:

|      |                                | <b>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</b> | <b>Claims<br/>Payments</b> | <b>Liability<br/>December 31</b> |
|------|--------------------------------|---|----------------------------|----------------------------------|
|      | <b>Liability<br/>January 1</b> |   |                            |                                  |
| 2018 | \$ 541,706                     | \$ 14,037,911   | \$ 14,044,920              | \$ 534,697                       |
| 2017 | 478,174                        | 14,190,025  | 14,126,493                 | 541,706                          |

#### Workers’ Compensation Self-Insurance Fund

The Utility, along with the City, have established a workers’ compensation fund to finance workers’ compensation awards for their employees. The program is funded by charges to the Utility and the City. The program is also supplemented by stop loss protection, which limits the Utility’s and City’s annual liability to \$500,000 per incident, per occurrence. Fund expenses and the accrual of claim liabilities are accounted for in the same manner as discussed previously for the liability and health and dental self-insurance funds. Claims liabilities of \$1,251,348 at December 31, 2018 and \$1,211,348 at December 31, 2017 were reported in the City of Green Bay’s workers’ compensation self-insurance internal service fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the City’s workers’ compensation internal service fund’s claim liability amount for 2018 and 2017 follow:

|      |                                | <b>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</b> | <b>Claims<br/>Payments</b> | <b>Liability<br/>December 31</b> |
|------|--------------------------------|---|----------------------------|----------------------------------|
|      | <b>Liability<br/>January 1</b> |   |                            |                                  |
| 2018 | \$ 1,211,348                   | \$ 708,549  | \$ 668,549                 | \$ 1,251,348                     |
| 2017 | 982,400                        | 1,006,766   | 777,818                    | 1,211,348                        |

# Water Utility

## City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

---

### **B. UPCOMING ACCOUNTING PRONOUNCEMENTS**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after June 15, 2018. The Utility is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The Utility is currently evaluating the impact this standard will have on the financial statements when adopted.

**REQUIRED SUPPLEMENTARY INFORMATION**

**THIS PAGE LEFT BLANK INTENTIONALLY**



# WATER UTILITY

City of Green Bay, Wisconsin  
 Schedule of Utility's Proportionate Share of the Net Pension Liability (Asset)  
 Wisconsin Retirement System  
 Last 10 Fiscal Years

| Plan<br>Year Ending | Proportion of<br>the Net Pension<br>Liability (Asset) | Proportionate<br>Share of the<br>Net Pension<br>Liability (Asset) | Covered<br>Payroll<br>(plan year) | Proportionate<br>Share of the Net<br>Pension Liability<br>(Asset) as a<br>Percentage of<br>Covered Payroll | Plan Fiduciary<br>Net Position as a<br>Percentage of the<br>Total Pension<br>Liability (Asset) |
|---------------------|---|---|-----------------------------------|--|--|
| 12/31/14            | 0.53764610%   | \$ (585,000)  | \$ 3,403,626                      | -17.19%  | 102.74%  |
| 12/31/15            | 0.53750286%   | 339,039   | 3,152,743                         | 10.75%   | 98.20%   |
| 12/31/16            | 0.54797926%   | 196,716   | 3,732,012                         | 5.27%  | 99.12%   |
| 12/31/17            | 0.56415122%   | (718,059)   | 3,896,613                         | -18.43%  | 102.93%  |

Schedule of Contributions  
 Wisconsin Retirement System  
 Last 10 Fiscal Years

| Fiscal<br>Year Ending | Contractually<br>Required<br>Contributions | Contributions in<br>Relation to the<br>Contractually<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll<br>(fiscal year) | Contributions<br>as a Percentage of<br>Covered<br>Payroll |
|-----------------------|--|---|--|-------------------------------------|---|
| 12/31/15              | \$ 214,387                                 | \$ 214,387  | \$ -                                   | \$ 3,152,743                        | 6.80%   |
| 12/31/16              | 237,557                                    | 237,557   | -                                      | 3,732,012                           | 6.37%   |
| 12/31/17              | 264,969                                    | 264,969   | -                                      | 3,896,613                           | 6.80%   |
| 12/31/18              | 271,815                                    | 271,815   | -                                      | 4,056,940                           | 6.70%   |

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

There were no changes of benefit terms or assumptions for any participating employer in the WRS.

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

**THIS PAGE LEFT BLANK INTENTIONALLY**

## **SUPPLEMENTARY FINANCIAL INFORMATION**

**THIS PAGE LEFT BLANK INTENTIONALLY**

# WATER UTILITY

City of Green Bay, Wisconsin  
Operating Revenues and Expenses  
For Years Ended December 31, 2018 and 2017

|   | <u>2018</u>             | <u>2017</u>             |
|---|-------------------------|-------------------------|
| <b>OPERATING REVENUES</b>                 |                         |                         |
| Charges for services                      |                         |                         |
| Residential                               | \$ 6,414,239            | \$ 6,147,021            |
| Commercial                                | 3,403,825               | 3,273,444               |
| Industrial                                | 4,820,093               | 4,740,471               |
| Public authority                          | 503,235                 | 454,138                 |
| Wholesale                                 | 3,251,388               | 3,281,062               |
| Private fire protection                   | 136,171                 | 136,032                 |
| Public fire protection                    | 1,621,169               | 1,648,626               |
| Total charges for services                | <u>20,150,120</u>       | <u>19,680,794</u>       |
| Other revenues                            |                         |                         |
| Forfeited discounts                       | 132,069                 | 145,078                 |
| Sewer and Storm water collection          | 1,107,529               | 1,010,436               |
| Other water revenues                      | 281,558                 | 283,799                 |
| Total other revenues                      | <u>1,521,156</u>        | <u>1,439,313</u>        |
| <br>Total Operating Revenues              | <br><u>21,671,276</u>   | <br><u>21,120,107</u>   |
| <b>OPERATING EXPENSES</b>                 |                         |                         |
| Plant operation and maintenance           |                         |                         |
| Source of supply                          | 69,896                  | 53,754                  |
| Pumping                                   | 1,300,382               | 1,306,604               |
| Water treatment                           | 1,222,482               | 1,274,754               |
| Transmission and distribution             | 1,974,838               | 1,857,277               |
| Maintenance                               | 714,895                 | 765,767                 |
| Meter                                     | 200,932                 | 134,708                 |
| Customer installation                     | 102,821                 | 89,500                  |
| Customer records and collecting           | 802,270                 | 873,639                 |
| Meter reading                             | 15,534                  | 17,442                  |
| Administrative and general                | 2,986,706               | 2,944,037               |
| <br>Total Plant Operation and Maintenance | <br><u>9,390,756</u>    | <br><u>9,317,482</u>    |
| Depreciation                              | 5,253,175               | 5,217,239               |
| Taxes                                     | 2,353,288               | 2,297,587               |
| Total Operating Expenses                  | <u>16,997,219</u>       | <u>16,832,308</u>       |
| <br><b>Operating income</b>               | <br><u>\$ 4,674,057</u> | <br><u>\$ 4,287,799</u> |

# WATER UTILITY

## City of Green Bay, Wisconsin

Schedule of Operating Expenses by Function and Object  
Year Ended December 31, 2018

| <b>Operating Expense Function:</b>             | <b>Total</b>         | <b>Labor<br/>Salaries<br/>and Fringe<br/>Benefits</b> | <b>Professional<br/>Services</b> |
|--|----------------------|---|----------------------------------|
| Source of Supply expense                       |                      |   |                                  |
| Purchased water                                | \$ 4,236             | \$ -  | \$ -                             |
| Maintenance of supply mains                    | 65,660               | 19,993  | -                                |
| Total source of supply expense                 | 69,896               | 19,993  | -                                |
| Pumping expense                                |                      |   |                                  |
| Electric power purchased                       | 747,983              | -   | -                                |
| Labor and expense                              | 54,204               | 54,204  | -                                |
| Supplies and expense                           | 57,909               | 13,876  | -                                |
| Maintenance of structures                      | 91,081               | 67,599  | -                                |
| Maintenance of equipment                       | 192,918              | 60,803  | -                                |
| Operation supervision                          | 156,287              | 156,287   | -                                |
| Total pumping expense                          | 1,300,382            | 352,769   | -                                |
| Water treatment expense                        |                      |   |                                  |
| Operation supervision                          | 93,573               | 93,573  | -                                |
| Labor and expense                              | 613,134              | 340,542   | -                                |
| Chemicals                                      | 279,929              | -   | -                                |
| Maintenance of structures                      | 41,026               | 14,442  | -                                |
| Maintenance of equipment                       | 194,820              | 113,222   | -                                |
| Total water treatment expense                  | 1,222,482            | 561,779   | -                                |
| Transmission and distribution expense          |                      |   |                                  |
| Supervision and engineering                    | 70,479               | 70,479  | -                                |
| Labor and expense                              | 504,045              | 285,264   | -                                |
| Maintenance of mains                           | 1,400,314            | 462,707   | -                                |
| Total transmission and distribution expense    | 1,974,838            | 818,450   | -                                |
| Maintenance expense                            |                      |   |                                  |
| Tanks and reservoirs                           | 23,300               | 3,078   | -                                |
| Services                                       | 318,960              | 173,446   | -                                |
| Meters   | 79,922               | 58,960  | -                                |
| Hydrants                                       | 140,035              | 79,215  | -                                |
| Buildings                                      | 152,678              | 43,100  | -                                |
| Total maintenance expense                      | 714,895              | 357,799   | -                                |
| Meter expense                                  | 200,932              | 182,368   | -                                |
| Customers' installation expense                | 102,821              | 81,601  | -                                |
| Customer records and collecting expense        | 802,270              | 372,737   | -                                |
| Meter reading expense                          | 15,534               | 6,056   | -                                |
| Depreciation                                   | 5,253,175            | -   | -                                |
| Administrative and general expense             |                      |   |                                  |
| Employee benefits                              | 1,417,190            | 1,417,190   | -                                |
| Amortization of non-utility plant              | 131,453              | -   | -                                |
| Property tax equivalent                        | 2,353,288            | -   | -                                |
| Public Service Commission remainder assessment | 20,244               | -   | -                                |
| Insurance                                      | 93,122               | -   | -                                |
| Uncollectible accounts                         | 2,249                | -   | -                                |
| Administrative salaries                        | 689,181              | 689,181   | -                                |
| Office supplies and expense                    | 100,629              | -   | -                                |
| Professional and special services              | 309,726              | -   | 309,726                          |
| Miscellaneous general expense                  | 222,912              | -   | -                                |
| Total administrative and general expense       | 5,339,994            | 2,106,371   | 309,726                          |
| <b>Total Operating Expenses</b>                | <b>\$ 16,997,219</b> | <b>\$ 4,859,923</b>                                   | <b>\$ 309,726</b>                |

| Materials,<br>Supplies,<br>Equipment &<br>Other Costs | Power for<br>Pumping | Depreciation | Insurance<br>and<br>Taxes |
|---|----------------------|--------------|---------------------------|
| \$ 4,236  | \$ -                 | \$ -         | \$ -                      |
| 45,667  | -                    | -            | -                         |
| 49,903  | -                    | -            | -                         |
| -   | 747,983              | -            | -                         |
| -   | -                    | -            | -                         |
| 44,033  | -                    | -            | -                         |
| 23,482  | -                    | -            | -                         |
| 132,115   | -                    | -            | -                         |
| -   | -                    | -            | -                         |
| 199,630   | 747,983              | -            | -                         |
| -   | -                    | -            | -                         |
| 272,592   | -                    | -            | -                         |
| 279,929   | -                    | -            | -                         |
| 26,584  | -                    | -            | -                         |
| 81,598  | -                    | -            | -                         |
| 660,703   | -                    | -            | -                         |
| -   | -                    | -            | -                         |
| 218,781   | -                    | -            | -                         |
| 937,607   | -                    | -            | -                         |
| 1,156,388   | -                    | -            | -                         |
| 20,222  | -                    | -            | -                         |
| 145,514   | -                    | -            | -                         |
| 20,962  | -                    | -            | -                         |
| 60,820  | -                    | -            | -                         |
| 109,578   | -                    | -            | -                         |
| 357,096   | -                    | -            | -                         |
| 18,564  | -                    | -            | -                         |
| 21,220  | -                    | -            | -                         |
| 429,533   | -                    | -            | -                         |
| 9,478   | -                    | -            | -                         |
| -   | -                    | 5,253,175    | -                         |
| -   | -                    | -            | -                         |
| 131,453   | -                    | -            | -                         |
| -   | -                    | -            | 2,353,288                 |
| -   | -                    | -            | 20,244                    |
| -   | -                    | -            | 93,122                    |
| 2,249   | -                    | -            | -                         |
| -   | -                    | -            | -                         |
| 100,629   | -                    | -            | -                         |
| -   | -                    | -            | -                         |
| 222,912   | -                    | -            | -                         |
| 457,243   | -                    | -            | 2,466,654                 |
| \$ 3,359,758  | \$ 747,983           | \$ 5,253,175 | \$ 2,466,654              |

**WATER UTILTY**  
City of Green Bay, Wisconsin  
Capital Assets  
Year Ended December 31, 2018

| Capital Assets Description:                 | Balance<br>1/1/18     | 2018<br>Additions   | 2018<br>Disposals   | Balance<br>12/31/18   |
|---|-----------------------|---------------------|---------------------|-----------------------|
| <b>General Green Bay Plant</b>              |                       |                     |                     |                       |
| Land  | \$ 264,966            | \$ -                | \$ -                | \$ 264,966            |
| Pumping plant structures                    | 3,545,931             | -                   | -                   | 3,545,931             |
| Reservoirs and standpipes                   | 4,484,500             | -                   | -                   | 4,484,500             |
| Wells                                       | 719,543               | -                   | -                   | 719,543               |
| Stores, shop, garage and<br>office building | 2,525,366             | 21,223              | (1,155)             | 2,545,434             |
| Water treatment structures                  | 2,835                 | -                   | -                   | 2,835                 |
| Supply mains                                | 4,922,017             | 14                  | -                   | 4,922,031             |
| Distribution mains                          | 72,810,110            | 3,086,422           | (136,371)           | 75,760,161            |
| Services                                    | 16,739,574            | 2,008,829           | (35,936)            | 18,712,467            |
| Meters                                      | 8,190,677             | 187,057             | (159,781)           | 8,217,953             |
| Hydrants                                    | 7,976,604             | 390,987             | (45,434)            | 8,322,157             |
| Water treatment equipment:                  |                       |                     |                     |                       |
| Chlorination                                | 185,467               | -                   | -                   | 185,467               |
| Telemetry equip - SCADA                     | 190,736               | -                   | -                   | 190,736               |
| Electric pumping equipment                  | 1,431,757             | -                   | -                   | 1,431,757             |
| Power production equipment                  | 237,309               | -                   | -                   | 237,309               |
| Power operated equipment                    | 710,553               | -                   | (53,143)            | 657,410               |
| Tools, shop, and garage<br>equipment        | 1,175,318             | 63,097              | (26,920)            | 1,211,495             |
| Stores equipment                            | 40,650                | -                   | -                   | 40,650                |
| Transportation equipment                    | 2,412,854             | 172,996             | (224,791)           | 2,361,059             |
| Communication equipment                     | 58,035                | -                   | -                   | 58,035                |
| Office furniture & equipment                | 165,065               | 38,970              | (4,372)             | 199,663               |
| Office computers                            | 3,343,938             | 216,886             | (22,952)            | 3,537,872             |
|   | <u>132,133,805</u>    | <u>6,186,481</u>    | <u>(710,855)</u>    | <u>137,609,431</u>    |
| <b>Lake Michigan Supply System</b>          |                       |                     |                     |                       |
| Land  | 259,723               | -                   | -                   | 259,723               |
| Pumping plant structures                    | 2,805,052             | 192,577             | -                   | 2,997,629             |
| Reservoirs and standpipes                   | 97,448                | -                   | -                   | 97,448                |
| Water treatment structures                  | 15,418,758            | 41,227              | -                   | 15,459,985            |
| Lake intakes                                | 1,539,207             | -                   | -                   | 1,539,207             |
| Supply mains                                | 43,764,408            | -                   | -                   | 43,764,408            |
| Distribution mains                          | 646,048               | -                   | -                   | 646,048               |
| Electric pumping equipment                  | 3,783,567             | -                   | -                   | 3,783,567             |
| Water treatment equipment:                  |                       |                     |                     |                       |
| Filtration                                  | 18,346,923            | 4,037               | -                   | 18,350,960            |
| Chlorination                                | 341,442               | 4,404               | -                   | 345,846               |
| Telemetry equip - SCADA                     | 1,247,123             | -                   | -                   | 1,247,123             |
| Tools and work equipment                    | 43,337                | -                   | -                   | 43,337                |
| Laboratory equipment                        | 41,977                | -                   | -                   | 41,977                |
| Communication equipment                     | 321,656               | -                   | -                   | 321,656               |
| Office furniture & equipment                | 11,783                | -                   | -                   | 11,783                |
| Office computers                            | 18,812                | -                   | -                   | 18,812                |
| Power production equipment                  | 1,612,314             | -                   | -                   | 1,612,314             |
|   | <u>90,299,578</u>     | <u>242,245</u>      | <u>-</u>            | <u>90,541,823</u>     |
| <b>Construction in Progress</b>             | <u>-</u>              | <u>47,639</u>       | <u>-</u>            | <u>47,639</u>         |
| <b>Total</b>                                | <u>\$ 222,433,383</u> | <u>\$ 6,476,365</u> | <u>\$ (710,855)</u> | <u>\$ 228,198,893</u> |



**THIS PAGE LEFT BLANK INTENTIONALLY**

**WATER UTILITY**  
City of Green Bay, Wisconsin  
Accumulated Depreciation  
Year Ended December 31, 2018

| Capital Assets Description:              | Depreciation<br>Rate | Accumulated<br>Depreciation<br>1/1/18 | 2018<br>Depreciation |
|--|----------------------|---------------------------------------|----------------------|
| <b>General Green Bay Plant</b>           |                      |                                       |                      |
| Land                                     | ---                  | \$ -                                  | \$ -                 |
| Pumping plant structures                 | 3.2%                 | 2,468,874                             | 113,469              |
| Reservoirs and standpipes                | 1.9%                 | 2,243,011                             | 85,206               |
| Wells                                    | 2.9%                 | 563,129                               | 20,867               |
| Stores, shop, garage and office building | 2.9%                 | 1,566,363                             | 73,526               |
| Water treatment structures               | 3.2%                 | 2,835                                 | -                    |
| Supply mains                             | 1.8%                 | 2,030,883                             | 88,597               |
| Distribution mains                       | 1.3%                 | 12,647,642                            | 965,707              |
| Services                                 | 2.9%                 | 7,204,100                             | 514,055              |
| Meters                                   | 5.5%                 | 2,458,678                             | 451,237              |
| Hydrants                                 | 2.2%                 | 2,256,308                             | 179,286              |
| Water treatment equipment - chlorination | 6.0%                 | 185,467                               | -                    |
| Telemetry equipment - SCADA              | 9.2%                 | 190,736                               | -                    |
| Electric pumping equipment               | 4.4%                 | 1,214,791                             | 62,997               |
| Power production equipment               | 4.4%                 | 26,203                                | 10,442               |
| Power operated equipment                 | 7.5%                 | 569,508                               | 51,299               |
| Tools, shop, and garage equipment        | 5.8%                 | 966,432                               | 71,732               |
| Stores equipment                         | 5.8%                 | 40,650                                | -                    |
| Transportation equipment                 | 13.3%                | 2,263,888                             | 309,912              |
| Communication equipment                  | 15.0%                | 58,035                                | -                    |
| Office furniture & equipment             | 5.8%                 | 78,618                                | 11,260               |
| Office computers                         | 26.7%                | 3,343,938                             | 208,831              |
|  |                      | 42,380,089                            | 3,218,423            |
| <b>Lake Michigan Supply System</b>       |                      |                                       |                      |
| Land                                     | ---                  | -                                     | -                    |
| Pumping plant structures                 | 3.2%                 | 1,863,711                             | 92,842               |
| Reservoirs and standpipes                | 1.9%                 | 83,583                                | 1,851                |
| Water treatment structures               | 3.2%                 | 9,649,744                             | 494,151              |
| Lake intakes                             | 1.7%                 | 919,051                               | 26,166               |
| Supply mains                             | 1.8%                 | 11,283,714                            | 787,759              |
| Transmission mains                       | 1.3%                 | 311,348                               | 8,399                |
| Electric pumping equipment               | 4.4%                 | 1,727,228                             | 166,477              |
| Water treatment equipment                |                      |                                       |                      |
| Filtration                               | 3.3%                 | 9,017,201                             | 605,515              |
| Chlorination                             | 6.0%                 | 264,910                               | 31,746               |
| Telemetry equipment - SCADA              | 9.2%                 | 978,790                               | 132,283              |
| Tools and work equipment                 | 5.8%                 | 43,337                                | -                    |
| Laboratory equipment                     | 5.8%                 | 32,799                                | 2,435                |
| Communication equipment                  | 15.0%                | 227,846                               | 47,128               |
| Office furniture & equipment             | 5.8%                 | 11,783                                | -                    |
| Office computers                         | 26.7%                | 18,812                                | -                    |
| Power production equipment               | 4.4%                 | 1,359,691                             | 70,942               |
|  |                      | 37,793,548                            | 2,467,694            |
| Total                                    |                      | \$ 80,173,637                         | \$ 5,686,117         |

| 2018<br>Salvage<br>Proceeds | 2018<br>Retirements | Accumulated<br>Depreciation<br>12/31/18 | Asset<br>Cost<br>12/31/18 | Net Book<br>Value<br>12/31/18 |
|-----------------------------|---------------------|---|---------------------------|-------------------------------|
| \$ -                        | \$ -                | \$ -                                    | \$ 264,966                | \$ 264,966                    |
| -                           | -                   | 2,582,343                               | 3,545,931                 | 963,588                       |
| -                           | -                   | 2,328,217                               | 4,484,500                 | 2,156,283                     |
| -                           | -                   | 583,996                                 | 719,543                   | 135,547                       |
| -                           | (1,155)             | 1,638,734                               | 2,545,434                 | 906,700                       |
| -                           | -                   | 2,835                                   | 2,835                     | -                             |
| -                           | -                   | 2,119,480                               | 4,922,031                 | 2,802,551                     |
| -                           | (136,371)           | 13,476,978                              | 75,760,161                | 62,283,183                    |
| -                           | (35,936)            | 7,682,219                               | 18,712,467                | 11,030,248                    |
| 3,971                       | (159,781)           | 2,754,105                               | 8,217,953                 | 5,463,848                     |
| 8,283                       | (45,433)            | 2,398,444                               | 8,322,157                 | 5,923,713                     |
| -                           | -                   | 185,467                                 | 185,467                   | -                             |
| -                           | -                   | 190,736                                 | 190,736                   | -                             |
| -                           | -                   | 1,277,788                               | 1,431,757                 | 153,969                       |
| -                           | -                   | 36,645                                  | 237,309                   | 200,664                       |
| -                           | (53,143)            | 567,664                                 | 657,410                   | 89,746                        |
| 447                         | (26,920)            | 1,011,691                               | 1,211,495                 | 199,804                       |
| -                           | -                   | 40,650                                  | 40,650                    | -                             |
| 12,050                      | (224,791)           | 2,361,059                               | 2,361,059                 | -                             |
| -                           | -                   | 58,035                                  | 58,035                    | -                             |
| 425                         | (4,372)             | 85,931                                  | 199,663                   | 113,732                       |
| -                           | (14,897)            | 3,537,872                               | 3,537,872                 | -                             |
| 25,176                      | (702,799)           | 44,920,889                              | 137,609,431               | 92,688,542                    |
| -                           | -                   | -                                       | 259,723                   | 259,723                       |
| -                           | -                   | 1,956,553                               | 2,997,629                 | 1,041,076                     |
| -                           | -                   | 85,434                                  | 97,448                    | 12,014                        |
| -                           | -                   | 10,143,895                              | 15,459,985                | 5,316,090                     |
| -                           | -                   | 945,217                                 | 1,539,207                 | 593,990                       |
| -                           | -                   | 12,071,473                              | 43,764,408                | 31,692,935                    |
| -                           | -                   | 319,747                                 | 646,048                   | 326,301                       |
| -                           | -                   | 1,893,705                               | 3,783,567                 | 1,889,862                     |
| -                           | -                   | 9,622,716                               | 18,350,960                | 8,728,244                     |
| -                           | -                   | 296,656                                 | 345,846                   | 49,190                        |
| -                           | -                   | 1,111,073                               | 1,247,123                 | 136,050                       |
| -                           | -                   | 43,337                                  | 43,337                    | -                             |
| -                           | -                   | 35,234                                  | 41,977                    | 6,743                         |
| -                           | -                   | 274,974                                 | 321,656                   | 46,682                        |
| -                           | -                   | 11,783                                  | 11,783                    | -                             |
| -                           | -                   | 18,812                                  | 18,812                    | -                             |
| -                           | -                   | 1,430,633                               | 1,612,314                 | 181,681                       |
| -                           | -                   | 40,261,242                              | 90,541,823                | 50,280,581                    |
| \$ 25,176                   | \$ (702,799)        | \$ 85,182,131                           | \$ 228,151,254            | \$ 142,969,123                |

## WATER UTILITY

City of Green Bay, Wisconsin  
 Bond Interest and Redemption Requirements  
 Waterworks Mortgage Revenue Bonds Series 2006  
 Year Ended December 31, 2018

| Year | Balance<br>Outstanding<br>January 1 | Principal<br>Requirements | Interest<br>Rate | Interest<br>Requirements | Total<br>Annual<br>Requirements |
|------|-------------------------------------|---------------------------|------------------|--------------------------|---------------------------------|
| 2019 | \$ 24,705,000                       | \$ 2,500,000              | 5.00%            | \$ 902,175               | \$ 3,402,175                    |
| 2020 | 22,205,000                          | -                         | 5.00%            | 777,175                  | 777,175                         |
| 2021 | 22,205,000                          | -                         | 5.00%            | 777,175                  | 777,175                         |
| 2022 | 22,205,000                          | -                         | 5.00%            | 777,175                  | 777,175                         |
| 2023 | 22,205,000                          | -                         | 5.00%            | 777,175                  | 777,175                         |
| 2024 | 22,205,000                          | -                         | 5.00%            | 777,175                  | 777,175                         |
| 2025 | 22,205,000                          | 3,355,000                 | 3.50%            | 777,175                  | 4,132,175                       |
| 2026 | 18,850,000                          | 3,475,000                 | 3.50%            | 659,750                  | 4,134,750                       |
| 2027 | 15,375,000                          | 3,600,000                 | 3.50%            | 538,125                  | 4,138,125                       |
| 2028 | 11,775,000                          | 3,720,000                 | 3.50%            | 412,125                  | 4,132,125                       |
| 2029 | 8,055,000                           | 8,055,000                 | 3.50%            | 281,925                  | 8,336,925                       |

These bonds, dated November 1, 2006, were issued for an original amount of \$49,310,000. The bonds mature serially on November 1, of each year with final payment due November 1, 2029. Interest is payable semiannually on May 1 and November 1, at the rates shown above. Interest and principal redemption payments are paid out of the Water System Special Redemption Fund. The bonds originally were in \$125,000 through \$8,055,000 denominations. The remaining bonds maturing on or after November 1, 2025, are callable at the option of the Utility on or after November 1, 2019, at par plus accrued interest.

## WATER UTILITY

City of Green Bay, Wisconsin  
 Bond Interest and Redemption Requirements  
 Waterworks Mortgage Revenue Bonds Series 2014  
 Year Ended December 31, 2018

| Year | Balance<br>Outstanding<br>January 1 | Principal<br>Requirements | Interest<br>Rate | Interest<br>Requirements | Total<br>Annual<br>Requirements |
|------|-------------------------------------|---------------------------|------------------|--------------------------|---------------------------------|
| 2019 | \$ 11,135,000                       | \$ 775,000                | 2.00%            | \$ 340,375               | \$ 1,115,375                    |
| 2020 | 10,360,000                          | 785,000                   | 2.00%            | 324,875                  | 1,109,875                       |
| 2021 | 9,575,000                           | 805,000                   | 3.00%            | 309,175                  | 1,114,175                       |
| 2022 | 8,770,000                           | 830,000                   | 3.00%            | 285,025                  | 1,115,025                       |
| 2023 | 7,940,000                           | 850,000                   | 3.00%            | 260,125                  | 1,110,125                       |
| 2024 | 7,090,000                           | 875,000                   | 3.00%            | 234,625                  | 1,109,625                       |
| 2025 | 6,215,000                           | 900,000                   | 3.00%            | 208,375                  | 1,108,375                       |
| 2026 | 5,315,000                           | 930,000                   | 3.00%            | 181,375                  | 1,111,375                       |
| 2027 | 4,385,000                           | 960,000                   | 3.50%            | 153,475                  | 1,113,475                       |
| 2028 | 3,425,000                           | 1,000,000                 | 3.50%            | 119,875                  | 1,119,875                       |
| 2029 | 2,425,000                           | 2,425,000                 | 3.50%            | 84,875                   | 2,509,875                       |

These bonds, dated October 14, 2014, were issued for an original amount of \$14,055,000. The bonds mature serially on November 1, of each year with final payment due November 1, 2029. Interest is payable semiannually on May 1 and November 1, at the rates shown above. Interest and principal redemption payments are paid out of the Water System Special Redemption Fund. The bonds originally were in \$5,000 denominations. The bonds maturing on or after November 1, 2025, are callable at the option of the Utility on or after November 1, 2019, at par plus accrued interest.

# WATER UTILITY

City of Green Bay, Wisconsin  
Bond Interest and Redemption Requirements  
Waterworks Mortgage Revenue Bonds Series 2017  
Year Ended December 31, 2018

| Year | Balance Outstanding January 1 | Principal Requirements | Interest Rate | Interest Requirements | Total Annual Requirements |
|------|-------------------------------|------------------------|---------------|-----------------------|---------------------------|
| 2019 | \$ 15,465,000                 | \$ 285,000             | 1.59%         | \$ 336,660            | \$ 621,660                |
| 2020 | 15,180,000                    | 2,920,000              | 1.79%         | 332,129               | 3,252,129                 |
| 2021 | 12,260,000                    | 2,970,000              | 1.99%         | 279,861               | 3,249,861                 |
| 2022 | 9,290,000                     | 3,025,000              | 2.18%         | 220,758               | 3,245,758                 |
| 2023 | 6,265,000                     | 3,095,000              | 2.38%         | 154,813               | 3,249,813                 |
| 2024 | 3,170,000                     | 3,170,000              | 2.56%         | 81,152                | 3,251,152                 |

These bonds, dated October 17, 2017, were issued for an original amount of \$15,730,000. The bonds mature serially on November 1, of each year with final payment due November 1, 2024. Interest is payable semiannually on May 1 and November 1, at the rates shown above. Interest and principal redemption payments are paid out of the Water System Special Redemption Fund. The bonds are non-callable.

# **STATISTICAL SECTION**

**THIS PAGE LEFT BLANK INTENTIONALLY**



# WATER UTILITY CITY OF GREEN BAY, WISCONSIN STATISTICAL SECTION

This section of the City of Green Bay Water Utility’s Comprehensive Annual Financial Report presents detailed information to help understand what the information in the management’s discussion and analysis, basic financial statements, notes to the financial statements, and supplementary financial information says about the Water Utility’s overall financial condition.

| <b><u>Contents:</u></b>  | <b><u>Pages</u></b> |
|--|---------------------|
| <b>Financial Trends</b><br>These schedules present trend information to help the reader understand how the Water Utility’s financial performance and condition have changed over time.   | 54-60               |
| <b>Debt Capacity</b><br>This schedule presents information to help the reader assess the affordability of the Water Utility’s current levels of outstanding debt and the Water Utility’s ability to issue additional debt in the future.         | 61                  |
| <b>Revenue Capacity</b><br>These schedules present information to help the reader assess the Water Utility’s most significant revenue source, water sales.   | 63-71               |
| <b>Demographic and Economic Information</b><br>These schedules present information to help the reader understand the environment within which the Water Utility’s financial activities take place.   | 72-73               |
| <b>Operating Information</b><br>These schedules present information to help the reader understand how the information in the Water Utility’s financial report relates to the services the Water Utility provides and the activities it performs. | 74-83               |

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the Water Utility’s comprehensive annual financial reports for the relevant year.

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

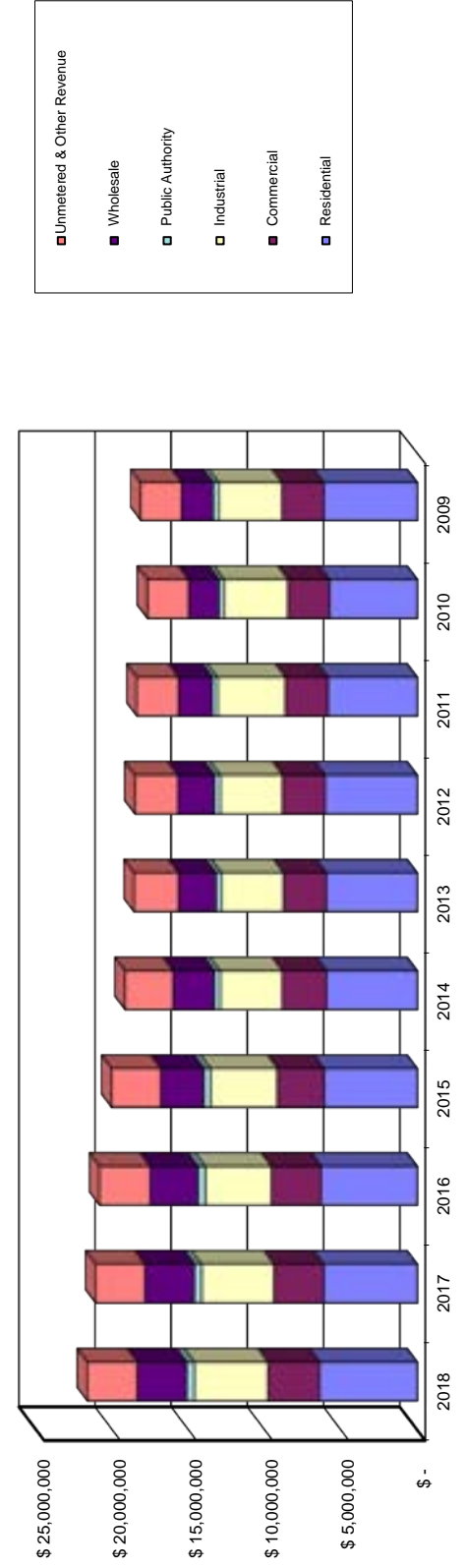
**CHANGES IN NET POSITION - LAST TEN YEARS**

|   | 2018                | 2017                | 2016                | 2015                | 2014               | 2013               | 2012               | 2011                | 2010               | 2009               |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| <b>Operating Revenues</b>                           |                     |                     |                     |                     |                    |                    |                    |                     |                    |                    |
| Metered sales - Residential                         | \$ 6,414,239        | \$ 6,147,021        | \$ 6,304,242        | \$ 6,132,565        | \$ 5,960,672       | \$ 5,983,387       | \$ 6,053,638       | \$ 5,868,601        | \$ 5,770,026       | \$ 6,146,960       |
| Metered sales - Commercial                          | 3,403,825           | 3,273,444           | 3,289,651           | 3,054,456           | 2,922,135          | 2,811,931          | 2,806,298          | 2,797,272           | 2,742,474          | 2,754,220          |
| Metered sales - Industrial                          | 4,820,093           | 4,740,471           | 4,323,113           | 4,373,034           | 4,057,829          | 4,050,376          | 4,071,939          | 4,456,945           | 4,162,919          | 4,130,579          |
| Public authority sales                              | 503,235             | 454,138             | 477,730             | 438,716             | 382,658            | 371,861            | 383,324            | 339,217             | 341,035            | 369,699            |
| Metered sales - Wholesale                           | 3,251,388           | 3,281,062           | 3,150,957           | 2,851,616           | 2,717,086          | 2,460,738          | 2,417,579          | 2,211,718           | 2,009,115          | 2,069,956          |
| Private fire protection                             | 136,171             | 136,032             | 133,439             | 131,784             | 129,493            | 124,329            | 125,895            | 124,427             | 121,067            | 117,477            |
| Public fire protection                              | 1,621,169           | 1,648,626           | 1,647,390           | 1,648,897           | 1,552,420          | 1,472,546          | 1,361,694          | 1,359,241           | 1,323,368          | 1,322,018          |
| Customer late payment charges                       | 132,069             | 145,078             | 140,112             | 140,257             | 150,780            | 144,360            | 147,978            | 153,069             | 156,303            | 155,079            |
| Sewer and storm water collection revenue            | 1,107,529           | 1,010,436           | 1,136,437           | 1,088,069           | 1,097,203          | 979,465            | 983,178            | 919,143             | 924,804            | 928,960            |
| Other operating revenues                            | 281,558             | 283,759             | 262,389             | 211,171             | 224,078            | 204,832            | 195,659            | 187,644             | 180,401            | 165,934            |
| <b>Total Operating Revenues</b>                     | <b>21,671,276</b>   | <b>21,120,107</b>   | <b>20,865,460</b>   | <b>20,070,565</b>   | <b>19,194,354</b>  | <b>18,603,825</b>  | <b>18,547,182</b>  | <b>18,417,277</b>   | <b>17,731,512</b>  | <b>18,160,882</b>  |
| <b>Operating Expenses</b>                           |                     |                     |                     |                     |                    |                    |                    |                     |                    |                    |
| Source of supply expense                            | 69,896              | 53,754              | 67,839              | 53,096              | 70,376             | 393,132            | 92,992             | 95,178              | 787,513            | 65,206             |
| Pumping expense                                     | 1,300,382           | 1,306,604           | 1,284,390           | 1,205,066           | 1,080,950          | 1,051,522          | 1,044,896          | 1,087,485           | 1,018,913          | 1,018,936          |
| Water treatment expense                             | 1,222,482           | 1,274,754           | 1,213,056           | 1,376,668           | 1,299,728          | 1,267,385          | 1,194,508          | 1,251,999           | 1,166,107          | 1,176,482          |
| Transmission and distribution expense               | 1,974,838           | 1,857,277           | 1,439,930           | 1,856,801           | 2,414,863          | 1,460,382          | 1,446,564          | 1,354,738           | 1,407,362          | 1,613,240          |
| Maintenance expense                                 | 714,895             | 765,767             | 1,023,866           | 777,988             | 928,899            | 1,126,739          | 1,298,877          | 615,591             | 658,109            | 976,790            |
| Meter expense                                       | 200,932             | 134,708             | 186,550             | 158,340             | 165,158            | 102,102            | 109,898            | 122,532             | 109,556            | 107,458            |
| Customers' installation expense                     | 102,821             | 89,500              | 87,456              | 92,064              | 146,836            | 175,258            | 157,842            | 118,392             | 154,532            | 172,229            |
| Customer records and collecting expense             | 802,270             | 873,639             | 875,779             | 706,093             | 713,772            | 603,998            | 620,403            | 528,471             | 546,729            | 570,453            |
| Meter reading expense                               | 15,534              | 17,442              | 20,404              | 22,506              | 40,924             | 55,944             | 62,626             | 67,684              | 69,674             | 80,758             |
| Administrative and general expense                  | 2,986,706           | 2,944,037           | 2,899,819           | 2,143,951           | 2,202,233          | 1,951,439          | 2,294,345          | 2,117,351           | 2,193,586          | 2,467,266          |
| Depreciation  | 5,253,175           | 5,217,239           | 5,155,128           | 5,109,163           | 4,698,513          | 4,673,495          | 4,622,428          | 4,457,151           | 4,375,675          | 4,194,144          |
| Taxes   | 2,353,288           | 2,297,587           | 2,310,073           | 2,300,268           | 2,358,178          | 2,396,384          | 2,221,094          | 2,078,747           | 1,897,758          | 1,745,356          |
| <b>Total Operating Expenses</b>                     | <b>16,997,219</b>   | <b>16,832,308</b>   | <b>16,564,290</b>   | <b>15,802,004</b>   | <b>16,120,430</b>  | <b>15,257,780</b>  | <b>15,166,473</b>  | <b>13,895,319</b>   | <b>14,385,514</b>  | <b>14,188,318</b>  |
| <b>Operating Income</b>                             | <b>4,674,057</b>    | <b>4,287,799</b>    | <b>4,301,170</b>    | <b>4,268,561</b>    | <b>3,073,924</b>   | <b>3,346,045</b>   | <b>3,380,709</b>   | <b>4,521,958</b>    | <b>3,345,998</b>   | <b>3,972,564</b>   |
| <b>Nonoperating Revenues (Expenses)</b>             |                     |                     |                     |                     |                    |                    |                    |                     |                    |                    |
| Interest income                                     | 275,633             | 222,044             | 181,549             | 177,081             | 239,425            | 287,274            | 294,032            | 309,596             | 326,733            | 373,727            |
| Miscellaneous income                                | 144,923             | 149,382             | 36,502              | 46,911              | 45,539             | 15,813             | 15,444             | 23,349              | 15,402             | 11,634             |
| Interest expense                                    | (1,693,833)         | (2,340,166)         | (2,320,992)         | (2,424,537)         | (2,838,129)        | (2,984,093)        | (3,091,531)        | (3,198,572)         | (3,298,272)        | (3,364,597)        |
| Amortization of debt premium                        | 227,442             | 227,442             | 227,442             | 227,442             | 152,016            | 136,930            | 136,930            | 136,930             | 136,930            | 136,930            |
| Amortization of debt discount and other assets      | (385,645)           | (180,723)           | (180,722)           | (259,780)           | (263,756)          | (261,387)          | (261,387)          | (295,684)           | (295,684)          | (295,684)          |
| <b>Total Nonoperating Revenues (Expenses)</b>       | <b>(1,431,480)</b>  | <b>(1,922,021)</b>  | <b>(2,056,221)</b>  | <b>(2,232,883)</b>  | <b>(2,664,905)</b> | <b>(2,805,463)</b> | <b>(2,906,512)</b> | <b>(3,024,381)</b>  | <b>(3,114,891)</b> | <b>(3,137,990)</b> |
| Excess before contributions                         | 3,242,577           | 2,365,778           | 2,244,949           | 2,035,678           | 409,019            | 540,582            | 474,197            | 1,497,577           | 231,107            | 834,574            |
| Capital contributions                               | 782,979             | 638,822             | 434,274             | 15,742              | 252,240            | 46,872             | 50,145             | 155,887             | 22,975             | 46,663             |
| Cumulative effect of change in accounting principle | -                   | -                   | -                   | 1,181,454           | -                  | -                  | (448,970)          | -                   | -                  | -                  |
| <b>Change in Net Position</b>                       | <b>\$ 4,025,556</b> | <b>\$ 3,004,600</b> | <b>\$ 2,679,223</b> | <b>\$ 3,232,874</b> | <b>\$ 661,259</b>  | <b>\$ 587,454</b>  | <b>\$ 75,372</b>   | <b>\$ 1,653,464</b> | <b>\$ 254,082</b>  | <b>\$ 881,237</b>  |

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**OPERATING REVENUES BY SOURCE - LAST TEN YEARS**

| <u>Operating Revenue:</u>           | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Metered Sales:                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Residential                         | \$ 6,414,239         | \$ 6,147,021         | \$ 6,304,242         | \$ 6,132,565         | \$ 5,960,672         | \$ 5,983,387         | \$ 6,053,638         | \$ 5,868,601         | \$ 5,770,026         | \$ 6,146,960         |
| Commercial                          | 3,403,825            | 3,273,444            | 3,289,651            | 3,054,456            | 2,922,135            | 2,811,931            | 2,806,298            | 2,797,272            | 2,742,474            | 2,754,220            |
| Industrial                          | 4,820,093            | 4,740,471            | 4,323,113            | 4,373,034            | 4,057,829            | 4,050,376            | 4,071,939            | 4,456,945            | 4,162,919            | 4,130,579            |
| Public Authority                    | 503,235              | 454,138              | 477,730              | 438,716              | 382,658              | 371,861              | 383,324              | 339,217              | 341,035              | 369,699              |
| Wholesale                           | 3,251,388            | 3,281,062            | 3,150,957            | 2,851,616            | 2,717,086            | 2,460,738            | 2,417,579            | 2,211,718            | 2,009,115            | 2,069,956            |
| <b>Total Metered Sales</b>          | <b>18,392,780</b>    | <b>17,896,136</b>    | <b>17,545,693</b>    | <b>16,850,387</b>    | <b>16,040,380</b>    | <b>15,678,293</b>    | <b>15,732,778</b>    | <b>15,673,753</b>    | <b>15,025,569</b>    | <b>15,471,414</b>    |
| Private Fire Protection             | 136,171              | 136,032              | 133,439              | 131,784              | 129,493              | 124,329              | 125,895              | 124,427              | 121,067              | 117,477              |
| Public Fire Protection              | 1,621,169            | 1,648,626            | 1,647,390            | 1,648,897            | 1,552,420            | 1,472,546            | 1,361,694            | 1,359,241            | 1,323,368            | 1,322,018            |
| Customer Late Payment Charges       | 132,069              | 145,078              | 140,112              | 140,257              | 150,780              | 144,360              | 147,978              | 153,069              | 156,303              | 155,079              |
| Sewer/stormwater Collection Revenue | 1,107,529            | 1,010,436            | 1,136,437            | 1,088,069            | 1,097,203            | 979,465              | 983,178              | 919,143              | 924,804              | 928,960              |
| Other Operating Revenues            | 281,558              | 283,799              | 262,389              | 211,171              | 224,078              | 204,832              | 195,659              | 187,644              | 180,401              | 165,934              |
| <b>Total Operating Revenue</b>      | <b>\$ 21,671,276</b> | <b>\$ 21,120,107</b> | <b>\$ 20,865,460</b> | <b>\$ 20,070,565</b> | <b>\$ 19,194,354</b> | <b>\$ 18,603,825</b> | <b>\$ 18,547,182</b> | <b>\$ 18,417,277</b> | <b>\$ 17,731,512</b> | <b>\$ 18,160,882</b> |

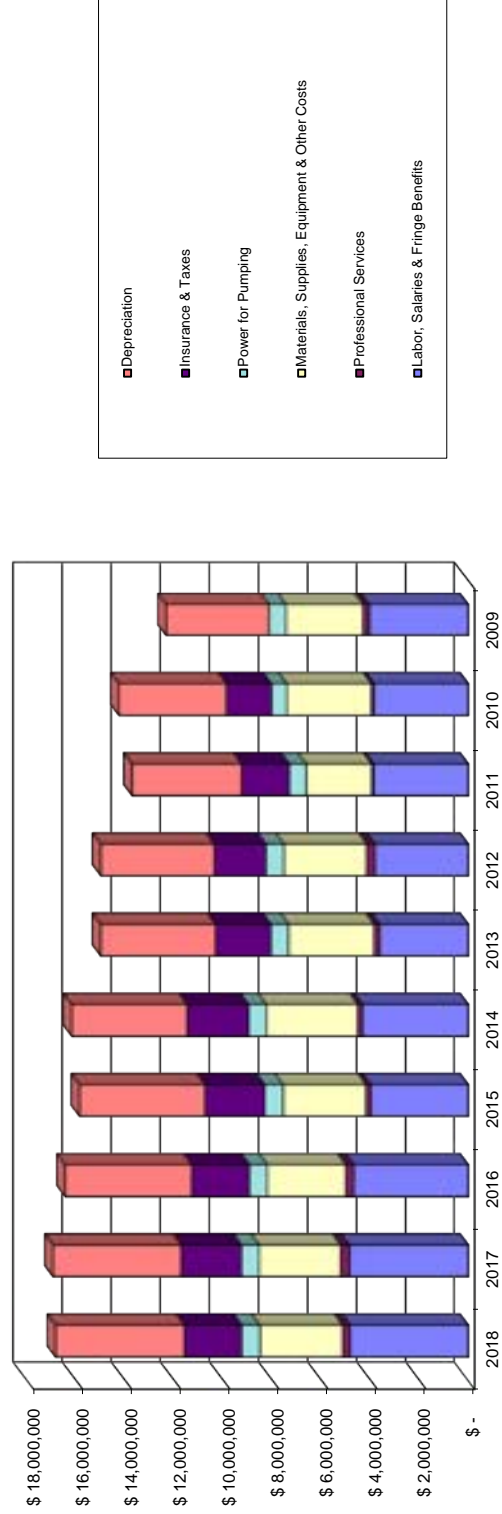


**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**OPERATING EXPENSES BY OBJECT - LAST TEN YEARS**

| Operating Expense Object:                          | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   | <u>2013</u>   | <u>2012</u>   | <u>2011</u>   | <u>2010</u>   | <u>2009</u>   |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Labor, Salaries and Fringe Benefits                | \$ 4,859,923  | \$ 4,887,097  | \$ 4,712,251  | \$ 4,009,150  | \$ 4,353,876  | \$ 3,651,791  | \$ 3,846,347  | \$ 3,901,982  | \$ 3,887,768  | \$ 4,078,860  |
| Professional Services                              | 309,726       | 363,553       | 330,185       | 208,279       | 193,794       | 238,453       | 342,539       | 77,703        | 106,874       | 250,564       |
| Materials, Supplies, Equipment and Other Costs (1) | 3,359,758     | 3,310,052     | 3,189,902     | 3,367,310     | 3,722,090     | 3,474,548     | 3,363,988     | 2,664,794     | 3,445,759     | 3,141,361     |
| Power for Pumping                                  | 747,983       | 725,704       | 724,700       | 756,644       | 727,674       | 717,700       | 734,040       | 692,057       | 623,122       | 689,570       |
| Insurance and Taxes                                | 2,466,654     | 2,328,663     | 2,452,124     | 2,351,458     | 2,424,483     | 2,501,793     | 2,257,131     | 2,101,632     | 1,946,316     | 1,833,819     |
| Operating Expenses before Depreciation             | 11,744,044    | 11,615,069    | 11,409,162    | 10,692,841    | 11,421,917    | 10,584,285    | 10,544,045    | 9,438,168     | 10,009,839    | 9,994,174     |
| Depreciation                                       | 5,253,175     | 5,217,239     | 5,155,128     | 5,109,163     | 4,698,513     | 4,673,495     | 4,622,428     | 4,457,151     | 4,375,675     | 4,194,144     |
| Total Operating Expenses                           | \$ 16,997,219 | \$ 16,832,308 | \$ 16,564,290 | \$ 15,802,004 | \$ 16,120,430 | \$ 15,257,780 | \$ 15,166,473 | \$ 13,895,319 | \$ 14,385,514 | \$ 14,188,318 |

(1) Materials, supplies, equipment and other costs include chemicals.



**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**NONOPERATING REVENUES AND EXPENSES - LAST TEN YEARS**

|   | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Interest income                                   | \$275,633            | \$222,044            | \$181,549            | \$177,081            | \$239,425            | \$287,274            | \$294,032            | \$309,596            | \$326,733            | \$373,727            |
| Miscellaneous income                              | 144,923              | 149,382              | 36,502               | 46,911               | 45,539               | 15,813               | 15,444               | 23,349               | 15,402               | 11,634               |
| Interest expense                                  | (1,693,833)          | (2,340,166)          | (2,320,992)          | (2,424,537)          | (2,838,129)          | (2,984,093)          | (3,091,531)          | (3,198,572)          | (3,298,272)          | (3,364,597)          |
| Amortization of debt premium                      | 227,442              | 227,442              | 227,442              | 227,442              | 152,016              | 136,930              | 136,930              | 136,930              | 136,930              | 136,930              |
| Amortization of debt discount and other assets    | (385,645)            | (180,723)            | (180,722)            | (259,780)            | (263,756)            | (261,387)            | (261,387)            | (295,684)            | (295,684)            | (295,684)            |
| <b>Total Nonoperating Revenues and (Expenses)</b> | <b>(\$1,431,480)</b> | <b>(\$1,922,021)</b> | <b>(\$2,056,221)</b> | <b>(\$2,232,883)</b> | <b>(\$2,664,905)</b> | <b>(\$2,805,463)</b> | <b>(\$2,906,512)</b> | <b>(\$3,024,381)</b> | <b>(\$3,114,891)</b> | <b>(\$3,137,990)</b> |

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**CAPITAL CONTRIBUTIONS BY SOURCE - LAST TEN YEARS**

|   | 2018       | 2017       | 2016       | 2015      | 2014       | 2013      | 2012      | 2011       | 2010      | 2009      |
|---|------------|------------|------------|-----------|------------|-----------|-----------|------------|-----------|-----------|
| Special assessments billed on water mains installed           | \$ -       | \$ -       | \$ 62,236  | \$ -      | \$ 91,911  | \$ 28,638 | \$ 6,713  | \$ 178     | \$ -      | \$ 14,359 |
| Special assessments billed on water laterals installed        | -          | -          | 7,056      | 15,742    | 70,848     | 18,234    | 38,241    | 43,763     | 13,300    | 32,304    |
| Total special assessments billed                              | -          | -          | 69,292     | 15,742    | 162,759    | 46,872    | 44,954    | 43,941     | 13,300    | 46,663    |
| Developers' contributions of new subdivision mains & laterals | 782,979    | 638,822    | 364,982    | -         | 89,481     | -         | 5,191     | 111,946    | 9,675     | -         |
| Total capital contributions billed                            | \$ 782,979 | \$ 638,822 | \$ 434,274 | \$ 15,742 | \$ 252,240 | \$ 46,872 | \$ 50,145 | \$ 155,887 | \$ 22,975 | \$ 46,663 |
| Total capital contributions collected                         | \$ 782,979 | \$ 638,822 | \$ 434,274 | \$ 15,742 | \$ 252,240 | \$ 46,872 | \$ 50,145 | \$ 155,887 | \$ 22,975 | \$ 46,663 |

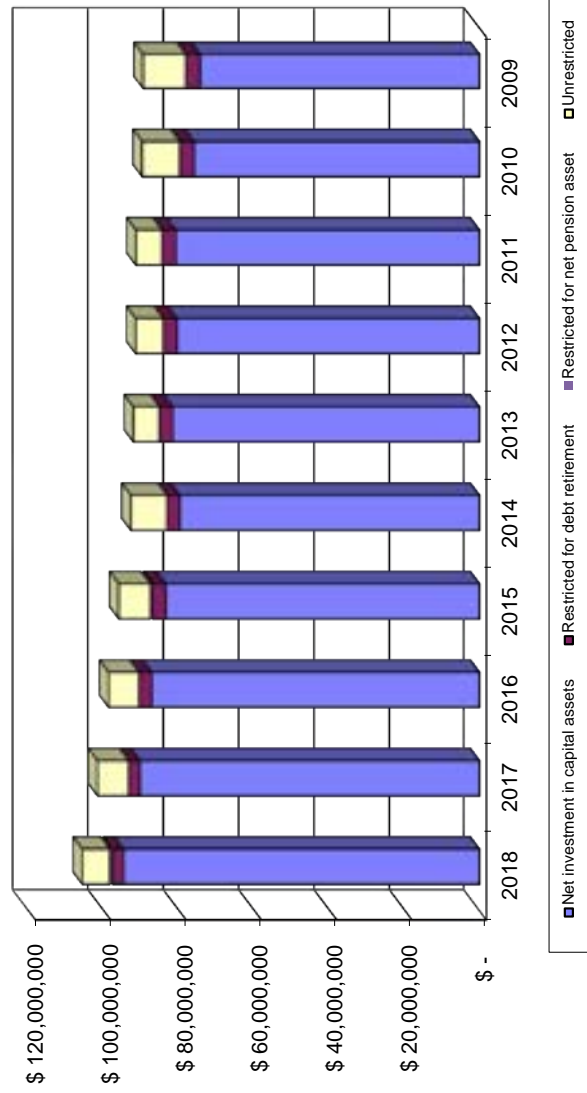
Note: Total special assessments billed consists mainly of special assessments installments placed on the City's tax roll. The City reimburses the Water Utility within 30 days of being invoiced by the Utility and then records the assessments on the City's financial statements as a receivable.

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**NET POSITION BY COMPONENT - LAST TEN YEARS**

|   | <u>2018</u>           | <u>2017</u>           | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          |
|---|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Net investment in capital assets        | \$ 94,765,629         | \$ 90,401,893         | \$ 87,255,877        | \$ 83,599,544        | \$ 79,864,867        | \$ 81,704,282        | \$ 80,606,564        | \$ 80,871,378        | \$ 76,060,280        | \$ 74,428,893        |
| Restricted for debt retirement          | 2,969,150             | 3,049,249             | 3,500,834            | 3,524,289            | 3,440,245            | 3,571,906            | 3,658,193            | 3,741,358            | 3,820,935            | 3,893,104            |
| Restricted for lead service replacement | 36,485                | 56,252                | 5,998                | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Restricted for net pension asset        | 718,059               | -                     | -                    | 585,000              | -                    | -                    | -                    | -                    | -                    | -                    |
| Unrestricted                            | 7,284,489             | 8,240,862             | 7,980,947            | 8,355,600            | 9,526,447            | 6,894,112            | 7,318,089            | 6,894,738            | 9,972,795            | 11,277,931           |
| <b>Total Net Position</b>               | <b>\$ 105,773,812</b> | <b>\$ 101,748,256</b> | <b>\$ 98,743,656</b> | <b>\$ 96,064,433</b> | <b>\$ 92,831,559</b> | <b>\$ 92,170,300</b> | <b>\$ 91,582,846</b> | <b>\$ 91,507,474</b> | <b>\$ 89,854,010</b> | <b>\$ 89,599,928</b> |

**Net Position by Component**



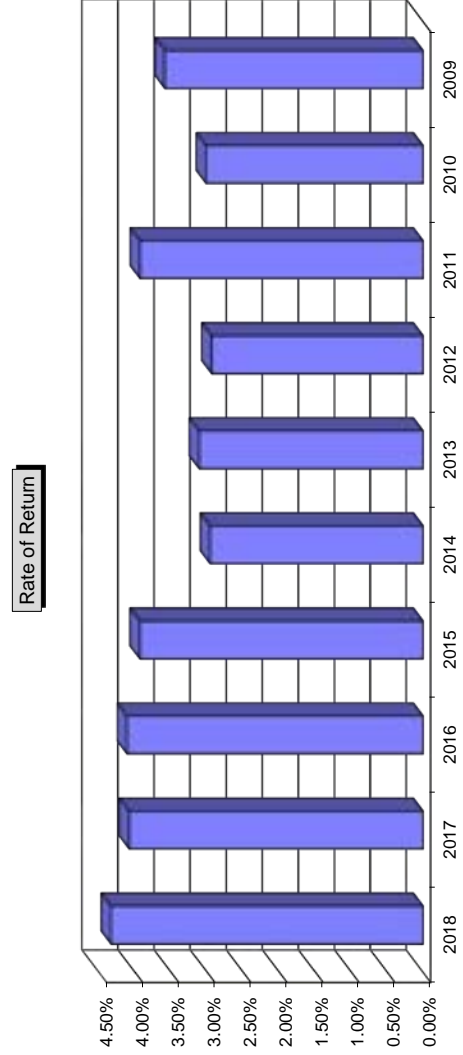
**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**RETURN ON RATE BASE (PSCW METHOD) - LAST TEN YEARS**

|  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  | 2013                  | 2012                  | 2011                  | 2010                  | 2009                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Utility plant in service - average       | \$ 199,402,909        | \$ 194,330,005        | \$ 189,321,489        | \$ 184,349,217        | \$ 181,083,519        | \$ 178,939,268        | \$ 176,604,649        | \$ 172,480,167        | \$ 165,939,347        | \$ 161,523,949        |
| Less: Accum deprec - average             | 75,116,786            | 70,667,498            | 66,281,769            | 62,269,470            | 58,612,955            | 54,833,982            | 51,177,234            | 47,748,751            | 44,340,108            | 40,774,706            |
| Plus: Materials & supplies - average     | 520,809               | 476,039               | 474,328               | 485,932               | 470,320               | 430,643               | 407,089               | 427,543               | 414,375               | 403,631               |
| Less: Regulatory liability - average (2) | 1,107,383             | 1,308,726             | 1,510,069             | 1,711,411             | 1,912,753             | 2,114,096             | 2,315,438             | 2,516,781             | 2,718,123             | 2,919,466             |
| <b>Average Net Rate Base</b>             | <b>\$ 123,699,549</b> | <b>\$ 122,829,820</b> | <b>\$ 122,003,979</b> | <b>\$ 120,854,268</b> | <b>\$ 121,028,131</b> | <b>\$ 122,421,833</b> | <b>\$ 123,519,066</b> | <b>\$ 122,642,178</b> | <b>\$ 119,295,491</b> | <b>\$ 118,233,408</b> |
| <b>Operating Income (1)</b>              | <b>\$ 5,362,947</b>   | <b>\$ 5,014,153</b>   | <b>\$ 5,018,208</b>   | <b>\$ 4,756,089</b>   | <b>\$ 3,585,329</b>   | <b>\$ 3,812,089</b>   | <b>\$ 3,634,999</b>   | <b>\$ 4,823,217</b>   | <b>\$ 3,600,858</b>   | <b>\$ 4,244,340</b>   |
| Actual Rate of Return                    | 4.34%                 | 4.08%                 | 4.11%                 | 3.94%                 | 2.96%                 | 3.11%                 | 2.94%                 | 3.93%                 | 3.02%                 | 3.59%                 |
| PSCW Authorized Rate of Return           | 3.20%                 | 2.84%                 | 2.84%                 | 2.84%                 | 2.27%                 | 2.77%                 | 2.52%                 | 2.52%                 | 3.50%                 | 3.50%                 |

(1) - The property tax equivalent remains an operating expense for rate setting purposes of the PSCW.

(2) - The PSCW has modified the calculation of the rate of return effective January 1, 2004 by reclassifying the pre-2003 contributions in aid of construction and additional accumulated depreciation as a regulatory liability. The PSCW has also modified the calculation of the rate of return effective January 1, 2015 by reclassifying a portion of the implementation of GASB 68 on the current year pension expense as a regulatory liability.

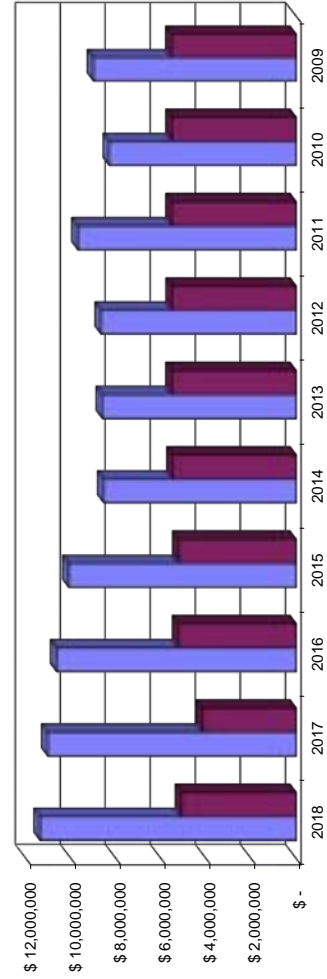




**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN  
REVENUE BOND COVERAGE AND DEBT RATIOS - LAST TEN YEARS**

|  | 2018           | 2017           | 2016           | 2015           | 2014           | 2013           | 2012           | 2011           | 2010           | 2009           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net Income (Change in Net Position)                  | \$ 4,025,556   | \$ 3,004,600   | \$ 2,679,223   | \$ 2,051,420   | \$ 661,259     | \$ 587,454     | \$ 524,342     | \$ 1,653,464   | \$ 254,082     | \$ 881,237     |
| Add Back:  |                |                |                |                |                |                |                |                |                |                |
| Depreciation   | 5,686,117      | 5,606,614      | 5,556,148      | 5,467,420      | 4,805,319      | 4,782,185      | 4,796,086      | 4,559,253      | 4,471,135      | 4,470,331      |
| Amortization   | (26,750)       | 84,734         | 84,733         | 163,791        | 243,193        | 255,910        | 255,910        | 290,207        | 290,207        | 290,207        |
| Interest Expense                                     | 1,693,833      | 2,340,166      | 2,320,992      | 2,424,537      | 2,838,129      | 2,984,093      | 3,091,531      | 3,198,572      | 3,298,272      | 3,364,597      |
| Total Available for Debt Service                     | \$ 11,378,756  | \$ 11,036,114  | \$ 10,641,096  | \$ 10,107,168  | \$ 8,547,900   | \$ 8,609,642   | \$ 8,667,869   | \$ 9,701,496   | \$ 8,313,696   | \$ 9,006,372   |
| Debt Service Requirement:                            |                |                |                |                |                |                |                |                |                |                |
| Principal  | \$ 3,405,000   | \$ 1,810,000   | \$ 2,905,000   | \$ 2,790,000   | \$ 2,640,000   | \$ 2,530,000   | \$ 2,420,000   | \$ 2,315,000   | \$ 2,215,000   | \$ 2,155,000   |
| Interest   | 1,693,833      | 2,340,166      | 2,320,992      | 2,424,537      | 2,838,129      | 2,984,093      | 3,091,531      | 3,198,572      | 3,298,272      | 3,364,597      |
| Total Debt Service Requirement                       | \$ 5,098,833   | \$ 4,150,166   | \$ 5,225,992   | \$ 5,214,537   | \$ 5,478,129   | \$ 5,514,093   | \$ 5,511,531   | \$ 5,513,572   | \$ 5,513,272   | \$ 5,519,597   |
| Coverage   | 2.23           | 2.66           | 2.04           | 1.94           | 1.56           | 1.56           | 1.57           | 1.76           | 1.51           | 1.63           |
| Debt Ratio:  |                |                |                |                |                |                |                |                |                |                |
| Total Liabilities                                    | \$ 58,381,953  | \$ 61,957,249  | \$ 63,641,807  | \$ 66,060,315  | \$ 68,092,234  | \$ 70,211,592  | \$ 73,023,076  | \$ 77,676,120  | \$ 79,688,362  | \$ 81,624,508  |
| Total Assets   | \$ 163,432,953 | \$ 161,784,345 | \$ 161,173,139 | \$ 161,529,710 | \$ 160,923,793 | \$ 162,381,892 | \$ 164,605,922 | \$ 163,725,610 | \$ 169,542,372 | \$ 171,224,436 |
| Debt Ratio Percentage                                | 35.72%         | 38.30%         | 39.49%         | 40.90%         | 42.31%         | 43.24%         | 44.36%         | 47.44%         | 47.00%         | 47.67%         |
| Revenue bonds outstanding at year-end <sup>(1)</sup> | \$ 51,811,133  | \$ 55,262,853  | \$ 57,119,573  | \$ 60,071,293  | \$ 62,828,955  | \$ 65,352,589  | \$ 67,758,131  | \$ 69,604,705  | \$ 71,760,951  | \$ 73,817,199  |
| Outstanding debt per capita                          | \$ 491.21      | \$ 524.10      | \$ 543.59      | \$ 571.83      | \$ 600.03      | \$ 626.58      | \$ 649.96      | \$ 667.67      | \$ 689.63      | \$ 713.21      |
| Outstanding debt per customer                        | \$ 1,418.74    | \$ 1,517.54    | \$ 1,569.78    | \$ 1,654.04    | \$ 1,730.49    | \$ 1,807.12    | \$ 1,877.22    | \$ 1,933.79    | \$ 1,992.75    | \$ 2,048.71    |

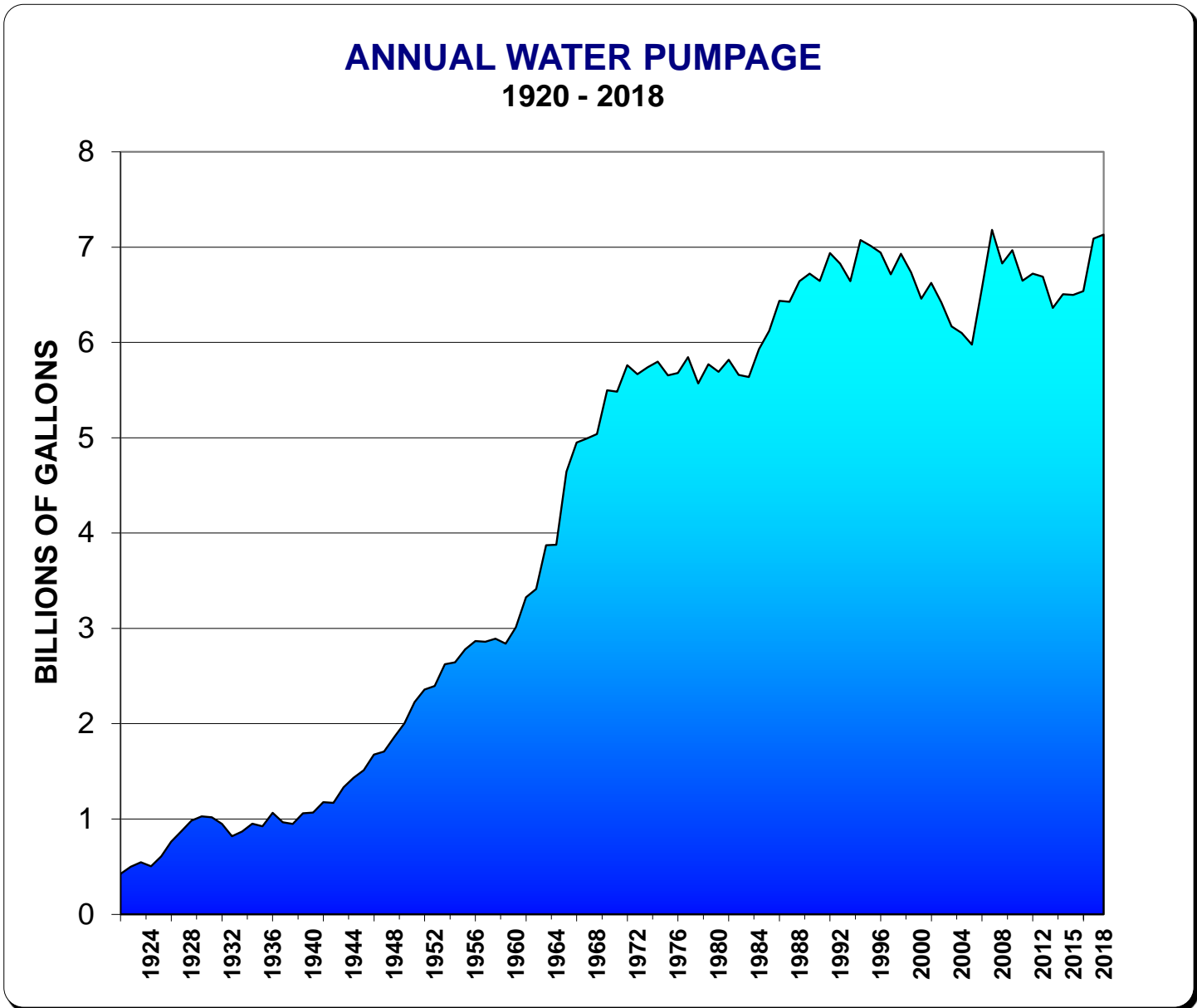
(1) - net of related premiums, discounts and adjustments



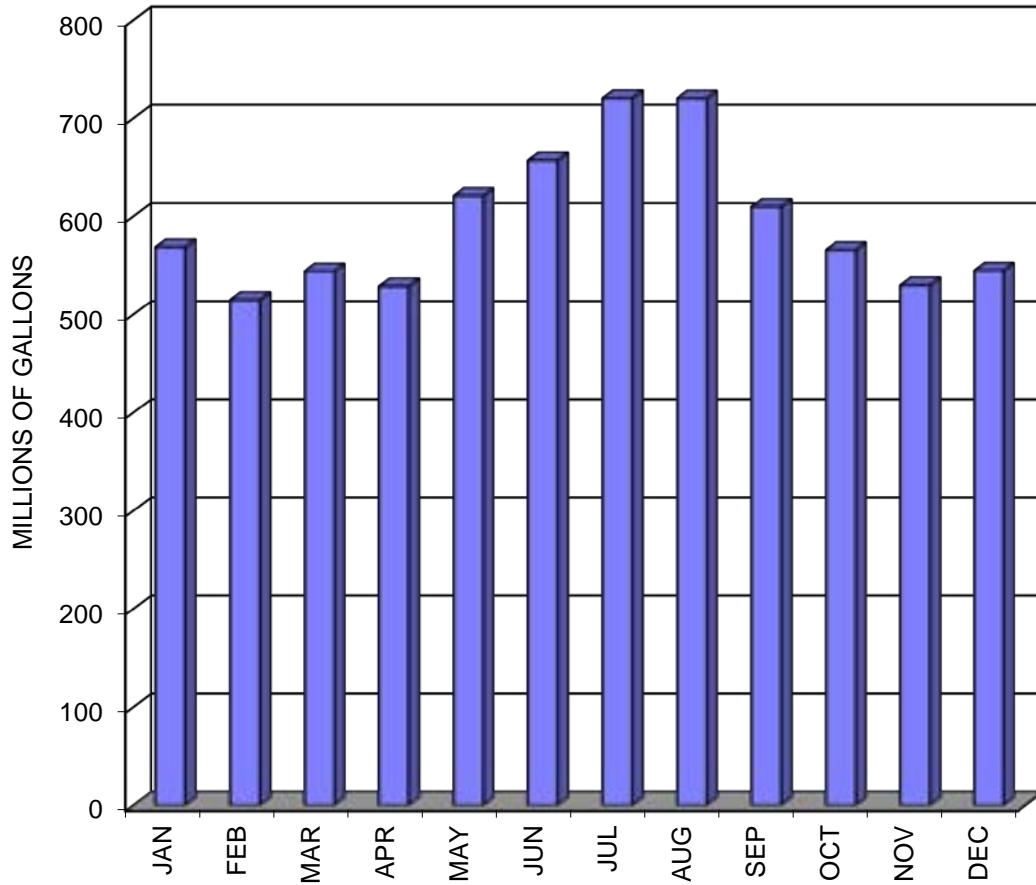
**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

ANNUAL WATER PUMPAGE

|      |                       |
|------|-----------------------|
| 2014 | 6,504,339,000 gallons |
| 2015 | 6,498,045,000 gallons |
| 2016 | 6,537,120,000 gallons |
| 2017 | 7,088,892,000 gallons |
| 2018 | 7,129,676,000 gallons |



**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN  
MONTHLY WATER PUMPAGE  
2018**



|   |                       |
|---|-----------------------|
| 2018 Pumpage - Lake Michigan-----                 | 7,128,047,000 Gallons |
| - Wells-----                                      | 1,317,000 Gallons     |
| - Water Purchased from Town of Scott-----         | 312,000 Gallons       |
|   |                       |
| 2018 Average Daily Pumpage-----                   | 19,528,896 Gallons    |
| 2018 Highest Daily Pumpage, August 15, 2018-----  | 29,584,000 Gallons    |
| 2018 Lowest Daily Pumpage, December 25, 2018----- | 12,984,000 Gallons    |
| Record High Daily Pumpage, July 7, 1988-----      | 32,909,000 Gallons    |

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**WATER PRODUCED AND CONSUMED - LAST TEN YEARS  
GALLONS ARE PRESENTED IN THOUSANDS**

|  | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gallons produced   | 6,513,047   | 6,516,968   | 6,535,992   | 6,498,045   | 6,504,339   | 6,361,641   | 6,690,099   | 6,722,466   | 6,647,326   | 6,966,338   |
| Gallons sold   | (6,135,481) | (6,066,409) | (5,878,274) | (5,972,675) | (5,954,478) | (6,095,811) | (6,392,999) | (6,400,957) | (6,273,289) | (6,483,670) |
| Gallons used for production and lost due to system leaks | (235,627)   | (187,062)   | (159,351)   | (192,243)   | (362,872)   | (91,959)    | (98,385)    | (70,215)    | (86,857)    | (109,170)   |
| Gallons produced and unaccounted for                     | 141,939     | 263,497     | 498,367     | 333,127     | 186,989     | 173,871     | 198,715     | 251,294     | 287,180     | 373,498     |
| Percent unaccounted for                                  | 2.18%       | 4.04%       | 7.62%       | 5.13%       | 2.87%       | 2.73%       | 2.97%       | 3.74%       | 4.32%       | 5.36%       |
| Maximum day pumpage                                      | 29,584      | 26,067      | 27,370      | 27,772      | 24,911      | 25,913      | 28,398      | 26,056      | 25,135      | 27,678      |
| Date of maximum pumpage                                  | 8/15/18     | 8/9/17      | 8/10/16     | 7/27/15     | 8/8/14      | 7/16/13     | 7/12/12     | 7/21/11     | 5/25/10     | 6/24/09     |
| Minimum day pumpage                                      | 12,984      | 13,954      | 12,719      | 13,395      | 12,206      | 12,996      | 13,300      | 12,219      | 13,518      | 14,519      |
| Date of minimum pumpage                                  | 12/25/18    | 12/25/17    | 3/27/16     | 3/22/15     | 7/5/14      | 3/24/13     | 12/25/12    | 12/25/11    | 3/14/10     | 12/25/09    |
| Total KWH used for pumping                               | 12,361,996  | 13,197,754  | 12,878,027  | 13,085,528  | 11,480,570  | 12,802,763  | 13,203,586  | 13,435,570  | 12,958,797  | 13,295,480  |

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**WATER RATES - LAST TEN YEARS**

|   | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Monthly Meter Charge:</u>                  |             |             |             |             |             |             |             |             |             |             |
| 5/8" & 3/4"                                   | \$ 6.17     | \$ 5.25     | \$ 5.25     | \$ 5.25     | \$ 5.00     | \$ 5.00     | \$ 5.00     | \$ 5.00     | \$ 5.00     | \$ 5.00     |
| 1"  | 9.20        | 7.90        | 7.90        | 7.90        | 7.50        | 7.50        | 7.50        | 7.50        | 7.50        | 7.50        |
| 1 1/2"  | 15.10       | 13.65       | 13.65       | 13.65       | 13.00       | 13.00       | 13.00       | 13.00       | 13.00       | 13.00       |
| 2"  | 22.80       | 22.10       | 22.10       | 22.10       | 21.00       | 21.00       | 21.00       | 21.00       | 21.00       | 21.00       |
| 3"  | 35.60       | 33.60       | 33.60       | 33.60       | 32.00       | 32.00       | 32.00       | 32.00       | 32.00       | 32.00       |
| 4"  | 52.20       | 52.50       | 52.50       | 52.50       | 50.00       | 50.00       | 50.00       | 50.00       | 50.00       | 50.00       |
| 6"  | 87.80       | 81.00       | 81.00       | 81.00       | 77.00       | 77.00       | 77.00       | 77.00       | 77.00       | 77.00       |
| 8"  | 129.80      | 120.00      | 120.00      | 120.00      | 114.00      | 114.00      | 111.00      | 111.00      | 111.00      | 111.00      |
| 10"   | 184.50      | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| 12"   | 239.20      | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Effective date of rate change                 | 10/1/18     |             |             | 11/5/15     |             |             |             |             |             |             |
| <u>Water billing rate per 1,000 gallons:</u>  |             |             |             |             |             |             |             |             |             |             |
| First 25,000 gallons per month                | \$ 3.46     | \$ 3.03     | \$ 3.03     | \$ 3.03     | \$ 2.91     | \$ 2.75     | \$ 2.61     | \$ 2.61     | \$ 2.61     | \$ 2.51     |
| Next 350,000 gallons per month                | 3.33        | 2.91        | 2.91        | 2.91        | 2.65        | 2.46        | 2.31        | 2.31        | 2.31        | 2.23        |
| Usage over 375,000 gallons per month          | 2.42        | 2.21        | 2.21        | 2.21        | 2.07        | 1.90        | 1.75        | 1.75        | 1.75        | 1.68        |
| Effective date of rate change                 | 10/1/18     |             |             | 11/5/15     |             | 7/15/14     |             | 3/6/13      |             | 11/1/10     |
| <u>Monthly Public Fire Protection Charge:</u> |             |             |             |             |             |             |             |             |             |             |
| 5/8" & 3/4"                                   | \$ 2.40     | \$ 2.97     | \$ 2.97     | \$ 2.97     | \$ 2.97     | \$ 2.75     | \$ 2.47     | \$ 2.47     | \$ 2.47     | \$ 2.40     |
| 1"  | 6.10        | 7.40        | 7.40        | 7.40        | 7.40        | 6.90        | 6.20        | 6.20        | 6.20        | 6.00        |
| 1 1/2"  | 12.00       | 14.90       | 14.90       | 14.90       | 14.90       | 13.80       | 12.40       | 12.40       | 12.40       | 12.00       |
| 2"  | 19.00       | 23.80       | 23.80       | 23.80       | 23.80       | 22.10       | 19.80       | 19.80       | 19.80       | 19.20       |
| 3"  | 36.00       | 44.50       | 44.50       | 44.50       | 44.50       | 41.30       | 37.00       | 37.00       | 37.00       | 36.00       |
| 4"  | 61.00       | 74.00       | 74.00       | 74.00       | 74.00       | 68.80       | 62.00       | 62.00       | 62.00       | 60.00       |
| 6"  | 121.00      | 148.00      | 148.00      | 148.00      | 148.00      | 137.60      | 124.00      | 124.00      | 124.00      | 120.00      |
| 8"  | 194.00      | 237.00      | 237.00      | 237.00      | 237.00      | 220.10      | 198.00      | 198.00      | 198.00      | 192.00      |
| 10"   | 291.00      | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| 12"   | 388.00      | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Effective date of rate change                 | 10/1/18     |             |             |             | 7/15/14     |             | 3/6/13      |             | 11/1/10     |             |

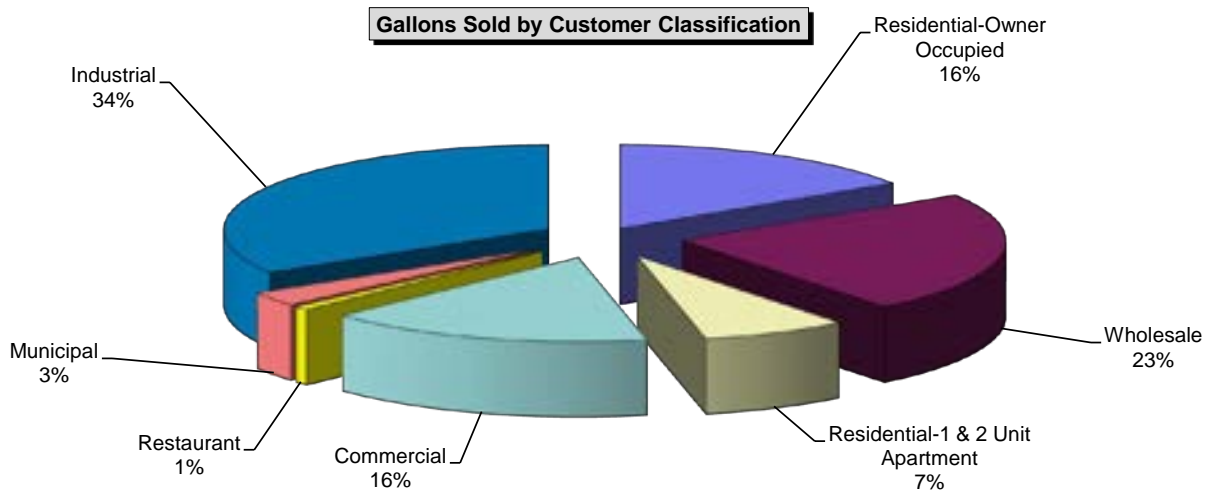
**Notes:**

Changes in water rates must be approved by the State of Wisconsin Public Service Commission.

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

ANALYSIS OF OPERATING REVENUE - 2018

| Classification                   | Gallons                     | Revenue                     | Average Number of Customers Billed | Average Daily Consumption Per Customer |
|----------------------------------|-----------------------------|-----------------------------|------------------------------------|--|
| Residential-Owner Occupied       | 976,034,098                 | \$ 4,421,102                | 22,430                             | 119 Gallons                            |
| Residential-1 & 2 Unit Apartment | 445,066,455                 | 1,993,137                   | 9,758                              | 125 Gallons                            |
| Restaurant                       | 44,944,193                  | 152,482                     | 139                                | 886 Gallons                            |
| Commercial                       | 997,919,636                 | 3,251,343                   | 3,325                              | 822 Gallons                            |
| Industrial                       | 2,062,220,958               | 4,820,093                   | 162                                | 34,876 Gallons                         |
| Municipal                        | 170,287,570                 | 503,235                     | 228                                | 2,046 Gallons                          |
| Wholesale                        | 1,439,006,791               | 3,251,388                   | 4                                  | ---                                    |
| Private Fire Protection          | ---                         | 136,171                     | 473                                | ---                                    |
| Public Fire Protection           | ---                         | 1,621,169                   | ---                                | ---                                    |
| Customer Late Payment Penalties  | ---                         | 132,069                     | ---                                | ---                                    |
| Sewer Collection Revenue         | ---                         | 1,107,529                   | ---                                | ---                                    |
| Other Operating Revenue          | ---                         | 281,558                     | ---                                | ---                                    |
| <b>Totals</b>                    | <b><u>6,135,479,701</u></b> | <b><u>\$ 21,671,276</u></b> | <b><u>36,519</u></b>               |  |



**WATER UTILITY**  
**CITY OF GREEN BAY, WISCONSIN**  
 USAGE SCHEDULE OF THE CURRENT TWELVE LARGEST CONSUMERS  
 For the Years Ended December 31, 2018 and 2017

| Name of Customer                | Gallons Used  |               | Increase<br>(Decrease) |
|---------------------------------|---------------|---------------|------------------------|
|                                 | 2018          | 2017          |                        |
| Village of Ashwaubenon          | 1,202,134,736 | 1,254,214,984 | (52,080,248)           |
| Proctor & Gamble Paper Products | 461,636,332   | 464,383,114   | (2,746,782)            |
| Georgia Pacific                 | 404,912,065   | 458,902,316   | (53,990,251)           |
| JBS (Packerland Packing)        | 363,601,686   | 350,304,721   | 13,296,965             |
| American Foods                  | 270,286,822   | 253,971,342   | 16,315,480             |
| Bay Valley Foods                | 230,977,609   | 201,281,242   | 29,696,367             |
| Green Bay Packaging             | 189,511,943   | 190,459,493   | (947,550)              |
| Village of Hobart               | 121,960,652   | 101,030,116   | 20,930,536             |
| Village of Wrightstown          | 71,865,596    | 72,499,152    | (633,556)              |
| Bellin Hospital                 | 48,242,629    | 44,373,110    | 3,869,519              |
| Wisconsin Public Service        | 46,842,350    | -             | 46,842,350             |
| Aurora Bay Care Medical         | 46,781,930    | 53,757,548    | (6,975,618)            |
| Town of Scott                   | -             | 45,483,636    | (45,483,636)           |
|                                 |               |               |                        |
| Totals                          | 3,458,754,350 | 3,490,660,774 | (31,906,424)           |
| Percentage of Metered Water     | 56.37%        | 57.54%        | (1.17%)                |

**WATER UTILITY**  
**CITY OF GREEN BAY, WISCONSIN**  
REVENUE SCHEDULE OF THE TWELVE LARGEST CONSUMERS - LAST TEN YEARS

| Name of Customer         | 2018                |                   | 2017                |                   | 2016                |                   | 2015                |                   | 2014                |                   |
|--------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
|                          | Amount              | % of Oper Revenue | Amount              | % of Oper Revenue | Amount              | % of Oper Revenue | Amount              | % of Oper Revenue | Amount              | % of Oper Revenue |
| Village of Ashwaubenon   | \$ 2,721,979        | 13.18%            | \$ 2,793,770        | 13.84%            | \$ 2,804,817        | 14.16%            | \$ 2,562,371        | 13.44%            | \$ 2,420,081        | 13.32%            |
| Georgia Pacific          | 948,559             | 4.59%             | 1,051,372           | 5.21%             | 1,004,411           | 5.07%             | 1,040,061           | 5.45%             | 967,245             | 5.32%             |
| Procter & Gamble Paper   | 1,065,695           | 5.16%             | 1,055,098           | 5.22%             | 892,735             | 4.51%             | 1,144,229           | 6.00%             | 1,086,662           | 5.98%             |
| JBS (Packerland Packing) | 837,681             | 4.06%             | 792,364             | 3.92%             | 707,612             | 3.57%             | 665,163             | 3.49%             | 615,100             | 3.38%             |
| American Foods           | 641,117             | 3.10%             | 590,607             | 2.92%             | 559,195             | 2.82%             | 495,649             | 2.60%             | 447,006             | 2.46%             |
| Bay Valley Foods         | 527,021             | 2.55%             | 450,495             | 2.23%             | 436,784             | 2.20%             | 360,751             | 1.89%             | 290,177             | 1.60%             |
| Green Bay Packaging      | 449,130             | 2.17%             | 443,762             | 2.20%             | 393,515             | 1.99%             | 342,048             | 1.79%             | 297,661             | 1.64%             |
| Village of Hobart        | 275,325             | 1.33%             | 225,291             | 1.12%             | 214,450             | 1.08%             | 202,109             | 1.06%             | 204,814             | 1.13%             |
| Bellin Hospital          | 131,455             | 0.64%             | 120,201             | 0.60%             | 142,146             | 0.72%             | 112,657             | 0.59%             | 105,162             | 0.58%             |
| Aurora Bay Care Medical  | 131,120             | 0.63%             | 144,543             | 0.72%             | 128,794             | 0.65%             | 110,622             | 0.58%             | 123,184             | 0.68%             |
| Wisc Public Service Corp | 125,862             | 0.61%             |                     |                   |                     |                   | 97,450              | 0.51%             | 128,392             | 0.71%             |
| St. Vincent Hospital     |                     |                   |                     |                   | 96,617              | 0.49%             |                     |                   |                     |                   |
| Town of Scott            |                     |                   | 96,827              | 0.48%             | 90,876              | 0.46%             | 87,136              | 0.46%             | 92,191              | 0.51%             |
| Village of Wrightstown   | 160,256             | 0.78%             | 200,397             | 0.99%             |                     |                   |                     |                   |                     |                   |
| <b>Totals</b>            | <b>\$ 8,015,200</b> | <b>38.81%</b>     | <b>\$ 7,964,727</b> | <b>39.44%</b>     | <b>\$ 7,471,952</b> | <b>37.71%</b>     | <b>\$ 7,220,246</b> | <b>37.87%</b>     | <b>\$ 6,777,675</b> | <b>37.30%</b>     |

| Name of Customer         | 2013                |                   | 2012                |                   | 2011                |                   | 2010                |                   | 2009                |                   |
|--------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
|                          | Amount              | % of Oper Revenue | Amount              | % of Oper Revenue | Amount              | % of Oper Revenue | Amount              | % of Oper Revenue | Amount              | % of Oper Revenue |
| Village of Ashwaubenon   | \$ 2,177,423        | 12.30%            | \$ 2,157,758        | 12.23%            | \$ 2,029,400        | 11.55%            | \$ 1,920,189        | 11.36%            | \$ 1,977,753        | 11.42%            |
| Georgia Pacific          | 1,002,521           | 5.66%             | 1,051,940           | 5.96%             | 928,516             | 5.28%             | 904,538             | 5.35%             | 891,309             | 5.15%             |
| Procter & Gamble Paper   | 1,055,999           | 5.97%             | 1,189,974           | 6.75%             | 1,455,966           | 8.29%             | 1,357,708           | 8.04%             | 1,434,883           | 8.29%             |
| Packerland Packing       | 612,415             | 3.46%             | 561,736             | 3.18%             | 611,492             | 3.48%             | 564,653             | 3.34%             | 511,536             | 2.95%             |
| American Foods           | 427,416             | 2.41%             | 411,317             | 2.33%             | 418,636             | 2.38%             | 432,738             | 2.56%             | 428,672             | 2.48%             |
| Bay Valley Foods         | 225,637             | 1.27%             | 232,763             | 1.32%             | 206,064             | 1.17%             | 195,624             | 1.16%             | 210,343             | 1.21%             |
| Green Bay Packaging      | 276,827             | 1.56%             | 258,445             | 1.47%             | 444,193             | 2.53%             | 299,879             | 1.77%             | 244,125             | 1.41%             |
| Village of Hobart        | 192,467             | 1.09%             | 183,400             | 1.04%             | 100,249             | 0.57%             |                     |                   |                     |                   |
| Bellin Hospital          | 97,775              | 0.55%             | 93,218              | 0.53%             | 94,317              | 0.54%             | 100,583             | 0.60%             | 99,734              | 0.58%             |
| Aurora Bay Care Medical  |                     |                   |                     |                   |                     |                   |                     |                   |                     |                   |
| Wisc Public Service Corp | 147,874             | 0.84%             | 129,744             | 0.74%             | 163,595             | 0.93%             | 180,234             | 1.07%             | 167,056             | 0.96%             |
| St. Vincent Hospital     | 98,234              | 0.55%             | 101,732             | 0.58%             | 90,705              | 0.52%             | 85,168              | 0.50%             | 89,837              | 0.52%             |
| Town of Scott            | 90,849              | 0.51%             | 76,420              | 0.43%             | 82,069              | 0.47%             | 88,926              | 0.53%             | 92,203              | 0.53%             |
| Village of Wrightstown   |                     |                   |                     |                   |                     |                   |                     |                   |                     |                   |
| Schreiber Foods          |                     |                   |                     |                   |                     |                   |                     |                   |                     |                   |
| Univ of Wisc - Green Bay |                     |                   |                     |                   |                     |                   | 66,422              | 0.39%             | 81,873              | 0.47%             |
| <b>Totals</b>            | <b>\$ 6,405,437</b> | <b>36.19%</b>     | <b>\$ 6,448,447</b> | <b>36.56%</b>     | <b>\$ 6,625,202</b> | <b>37.70%</b>     | <b>\$ 6,196,662</b> | <b>36.67%</b>     | <b>\$ 6,229,324</b> | <b>35.97%</b>     |



**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**TWELVE LARGEST CONSUMERS  
CURRENT YEAR AND NINE YEARS AGO**

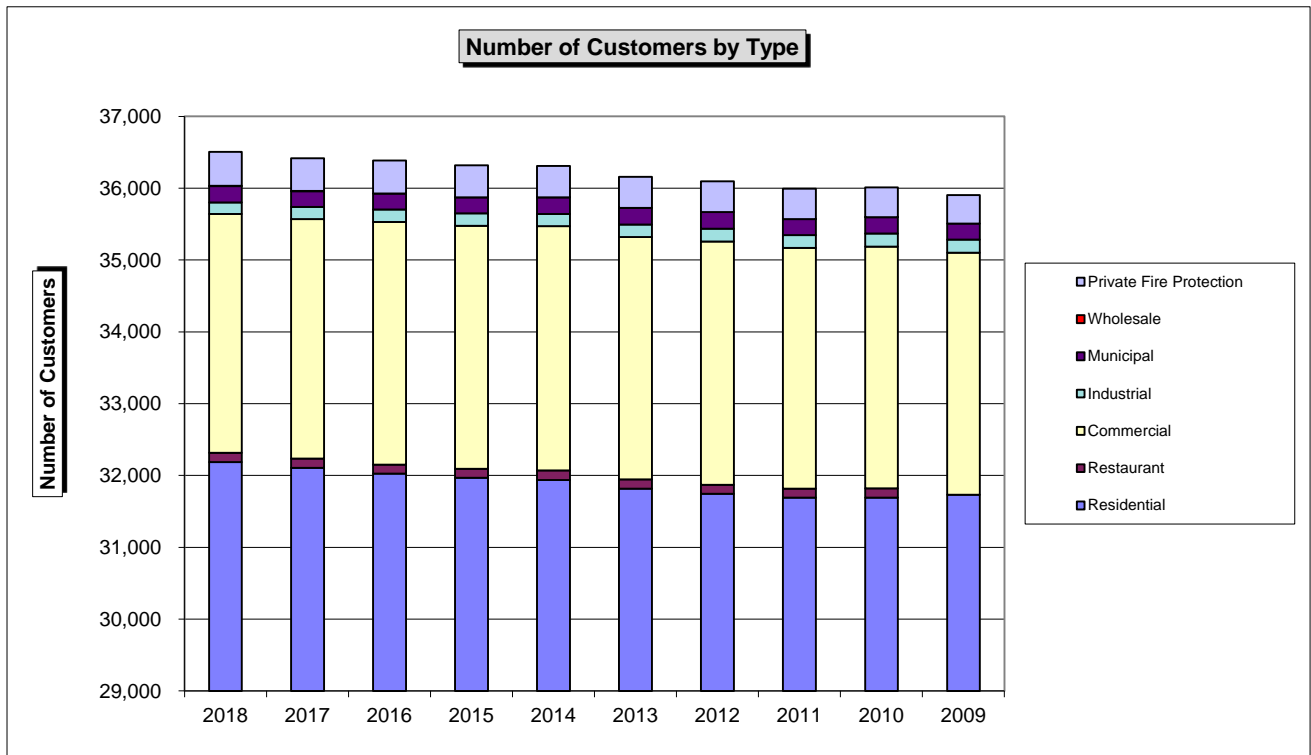
| Name of Customer                 | 2018         |                   |               |                    |
|----------------------------------|--------------|-------------------|---------------|--------------------|
|                                  | Amount       | % of Oper Revenue | Gallons Used  | % of Water Metered |
| Village of Ashwaubenon           | \$ 2,721,979 | 13.18%            | 1,202,134,736 | 19.59%             |
| Procter & Gamble Paper Products  | 1,065,695    | 5.16%             | 461,636,332   | 7.52%              |
| Georgia Pacific                  | 948,559      | 4.59%             | 404,912,065   | 6.60%              |
| JBS GB Inc. (Packerland Packing) | 837,681      | 4.06%             | 363,601,686   | 5.93%              |
| American Foods                   | 641,117      | 3.10%             | 270,286,822   | 4.41%              |
| Bay Valley Foods                 | 527,021      | 2.55%             | 230,977,609   | 3.76%              |
| Green Bay Packaging              | 449,130      | 2.17%             | 189,511,943   | 3.09%              |
| Village of Hobart                | 275,325      | 1.33%             | 121,960,652   | 1.99%              |
| Village of Wrightstown           | 160,256      | 0.78%             | 71,865,596    | 1.17%              |
| Bellin Hospital                  | 131,455      | 0.64%             | 48,242,629    | 0.79%              |
| Wisconsin Public Service Corp    | 125,862      | 0.61%             | 46,842,350    | 0.76%              |
| Aurora Bay Care Medical          | 131,120      | 0.63%             | 46,781,930    | 0.76%              |
| Totals                           | \$ 8,015,200 | 38.81%            | 3,458,754,350 | 56.37%             |

| Name of Customer                | 2009         |                   |               |                    |
|---------------------------------|--------------|-------------------|---------------|--------------------|
|                                 | Amount       | % of Oper Revenue | Gallons Used  | % of Water Metered |
| Village of Ashwaubenon          | \$ 1,977,753 | 11.42%            | 1,163,383,848 | 17.94%             |
| Procter & Gamble Paper Products | 1,434,883    | 8.29%             | 840,046,636   | 12.96%             |
| Georgia Pacific                 | 891,309      | 5.15%             | 511,024,153   | 7.88%              |
| Packerland Packing              | 511,536      | 2.95%             | 291,879,848   | 4.50%              |
| American Foods                  | 428,672      | 2.48%             | 239,371,160   | 3.69%              |
| Green Bay Packaging             | 244,125      | 1.41%             | 132,703,750   | 2.05%              |
| Bay Valley Foods                | 210,343      | 1.21%             | 121,643,500   | 1.88%              |
| Wisconsin Public Service Corp   | 167,056      | 0.96%             | 87,232,134    | 1.35%              |
| Town of Scott                   | 92,203       | 0.53%             | 54,736,396    | 0.84%              |
| Bellin Hospital                 | 99,734       | 0.58%             | 46,521,426    | 0.72%              |
| St. Vincent Hospital            | 89,837       | 0.52%             | 43,105,303    | 0.66%              |
| University of Wisc - Green Bay  | 81,873       | 0.47%             | 41,427,150    | 0.64%              |
| Totals                          | \$ 6,229,324 | 35.97%            | 3,573,075,304 | 55.11%             |

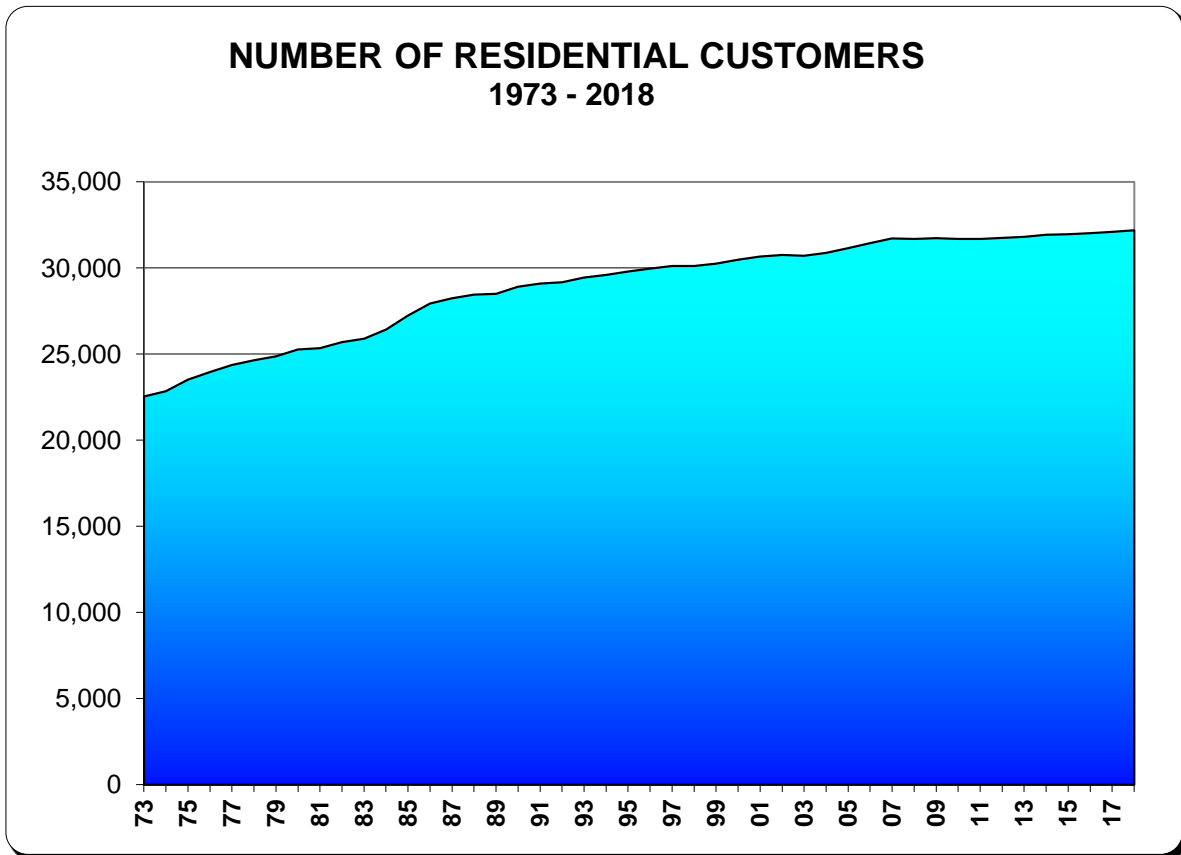
## WATER UTILITY CITY OF GREEN BAY, WISCONSIN

### NUMBER OF CUSTOMERS BY TYPE - LAST TEN YEARS

|                         | 2018          | 2017          | 2016          | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          | 2009          |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Residential             | 32,188        | 32,108        | 32,027        | 31,968        | 31,939        | 31,818        | 31,746        | 31,691        | 31,692        | 31,732        |
| Restaurant              | 139           | 127           | 127           | 125           | 126           | 130           | 126           | 126           | 126           | 127           |
| Commercial              | 3,325         | 3,336         | 3,379         | 3,384         | 3,401         | 3,375         | 3,388         | 3,353         | 3,368         | 3,370         |
| Industrial              | 162           | 168           | 172           | 174           | 171           | 173           | 174           | 176           | 180           | 181           |
| Municipal               | 228           | 219           | 222           | 220           | 231           | 232           | 232           | 223           | 229           | 223           |
| Wholesale               | 4             | 4             | 4             | 3             | 3             | 3             | 3             | 3             | 2             | 2             |
| Private Fire Protection | 473           | 454           | 456           | 444           | 436           | 433           | 426           | 422           | 414           | 396           |
| <b>Totals</b>           | <b>36,519</b> | <b>36,416</b> | <b>36,387</b> | <b>36,318</b> | <b>36,307</b> | <b>36,164</b> | <b>36,095</b> | <b>35,994</b> | <b>36,011</b> | <b>36,031</b> |



**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN  
RESIDENTIAL CUSTOMER ANALYSIS**



**RESIDENTIAL CUSTOMERS**

|   | Five Year Record |             |             |             |             |
|---|------------------|-------------|-------------|-------------|-------------|
|   | <u>2018</u>      | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Average Number of Customers                 | 32,188           | 32,108      | 32,027      | 31,968      | 31,939      |
| Average Annual Usage Per Customer (Gallons) | 44,150           | 42,800      | 44,296      | 45,334      | 46,335      |
| Average Annual Billings Per Customer        | \$ 199.27        | \$ 191.49   | \$ 196.84   | \$ 191.83   | \$ 186.63   |
| Rate Increases                              | 10/1/18          | ---         | ---         | 11/5/15     | 7/15/14     |
| Approximate % Increase                      | 4.0%             | ---         | ---         | 4.3%        | 4.7%        |

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN YEARS

|  | 2018       | 2017       | 2016       | 2015       | 2014       | 2013      | 2012       | 2011      | 2010       | 2009      |
|--|------------|------------|------------|------------|------------|-----------|------------|-----------|------------|-----------|
| Population - City of Green Bay   | 105,477    | 105,443    | 105,079    | 105,051    | 104,710    | 104,300   | 104,275    | 104,250   | 104,057    | 103,500   |
| Unemployment Rate (1)<br>Green Bay Metropolitan Area                       | 3.0%       | 3.2%       | 3.8%       | 4.2%       | 5.1%       | 6.2%      | 6.5%       | 7.1%      | 7.7%       | 8.3%      |
| State of Wisconsin   | 3.0%       | 3.3%       | 4.1%       | 4.6%       | 5.5%       | 6.7%      | 6.9%       | 7.5%      | 8.5%       | 8.7%      |
| Building Permits - City of Green Bay<br>Number of New Residential Projects | 110        | 100        | 112        | 69         | 67         | 79        | 48         | 41        | 42         | 87        |
| Value of New Residential Projects (\$000's)                                | \$ 32,316  | \$ 26,941  | \$ 31,321  | \$ 21,771  | \$ 29,961  | \$ 17,732 | \$ 10,227  | \$ 7,193  | \$ 27,340  | \$ 11,180 |
| Number of Total Building Permits   | 3,088      | 3,037      | 2,877      | 2,753      | 2,236      | 2,206     | 2,318      | 2,386     | 2,420      | 2,759     |
| Value of Total Building Projects (\$000's)                                 | \$ 184,284 | \$ 143,678 | \$ 219,869 | \$ 182,138 | \$ 120,215 | \$ 69,038 | \$ 221,223 | \$ 80,886 | \$ 130,276 | \$ 71,327 |
| Personal Income - Green Bay Metro Area<br>Total (million \$)               | (2)        | \$ 15,584  | \$ 14,754  | \$ 14,454  | \$ 14,079  | \$ 13,538 | \$ 13,338  | \$ 12,726 | \$ 12,095  | \$ 11,644 |
| Per Capita   | (2)        | \$ 48,692  | \$ 46,362  | \$ 45,665  | \$ 44,761  | \$ 43,312 | \$ 42,879  | \$ 41,215 | \$ 39,433  | \$ 38,217 |

(1) - Unemployment rate is annual average not seasonally adjusted.

(2) - Personal income information for most recent year not available at time of publication

Green Bay Metro Area - defined as an area consisting of a recognized population nucleus and adjacent communities that have a high degree of integration with that nucleus.

Sources: U.S. Department of Commerce Bureau of Economic Analysis  
City of Green Bay Planning Department  
Wisconsin Department of Workforce Development  
Wisconsin Department of Administration

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**TEN LARGEST METROPOLITAN AREA PRIVATE EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

| 2018   |                     |  |                                   |
|--|---------------------|--|-----------------------------------|
| Name of Employer   | Number of Employees | Percent of Total Metro Area Employment | Type of Business                  |
| Bellin Health *  | 3,035               | 1.76%                                  | Acute care hospital               |
| Humana   | 2,788               | 1.62%                                  | Group health insurance            |
| Oneida Tribe of Indians of Wisconsin                       | 2,739               | 1.59%                                  | Tribal enterprises and government |
| Schneider National, Inc. *                                 | 2,732               | 1.59%                                  | Truck load carrier                |
| Aurora Healthcare *  | 2,268               | 1.32%                                  | Full service medical care         |
| Georgia Pacific Corporation *                              | 1,760               | 1.02%                                  | Paper & tissue products           |
| UnitedHealthcare *<br>(formerly American Medical Security) | 1,741               | 1.01%                                  | Health and life insurance         |
| St. Vincent Hospital *                                     | 1,621               | 0.94%                                  | Acute care hospital               |
| American Foods Group *                                     | 1,548               | 0.90%                                  | Meat distributor                  |
| Prevea Health *  | 1,308               | 0.76%                                  | Full service medical care         |
| Total of Ten Largest Employers                             | 21,540              | 12.51%                                 |                                   |

| 2009  |                     |  |                                   |
|---|---------------------|--|-----------------------------------|
| Name of Employer  | Number of Employees | Percent of Total Metro Area Employment | Type of Business                  |
| Humana  | 3,146               | 1.86%                                  | Group health insurance            |
| Schneider National, Inc. *                                    | 3,094               | 1.83%                                  | Truck load carrier                |
| Oneida Tribe of Indians of Wisconsin                          | 2,916               | 1.73%                                  | Tribal enterprises and government |
| Georgia Pacific Corporation *                                 | 2,600               | 1.54%                                  | Paper, plastic & foam product     |
| Bellin Health *   | 1,998               | 1.18%                                  | Acute care hospital               |
| Aurora Health Care *  | 1,703               | 1.01%                                  | Full service medical care         |
| St. Vincent Hospital *  | 1,637               | 0.97%                                  | Acute care hospital               |
| American Foods Group *  | 1,591               | 0.94%                                  | Meat distributor                  |
| Wisconsin Public Service *                                    | 1,573               | 0.93%                                  | Gas and electric utility          |
| United Health Group *<br>(formerly American Medical Security) | 1,511               | 0.89%                                  | Health and life insurance         |
| Total of Ten Largest Employers                                | 21,769              | 12.89%                                 |                                   |

Green Bay metropolitan area's total labor force (2018 = 172,139, 2009 = 168,870)

Data is for the Green Bay metropolitan area. The Green Bay Water Utility is located within the Green Bay metropolitan area.

Employers located within the Green Bay Water Utility's service area are designated with an asterisk (\*).

Source: Green Bay Area Chamber of Commerce  
Wisconsin Department of Workforce Development

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

CLASSIFICATION OF METERS  
As of December 31, 2018

| Size         | Residential<br>& Apartment | Commercial<br>& Restaurant | Industrial | Municipal  | Wholesale | Utility<br>Use | In Stock<br>& Deduct | Total         |
|--------------|----------------------------|----------------------------|------------|------------|-----------|----------------|----------------------|---------------|
| 5/8"         | 16,290                     | 601                        | 13         | 11         | 0         | 0              | 450                  | 17,365        |
| 3/4"         | 15,744                     | 1,066                      | 33         | 8          | 0         | 0              | 668                  | 17,519        |
| 1"           | 148                        | 670                        | 28         | 12         | 0         | 0              | 89                   | 947           |
| 1 1/2"       | 3                          | 651                        | 20         | 22         | 0         | 0              | 124                  | 820           |
| 2"           | 0                          | 400                        | 40         | 47         | 0         | 0              | 164                  | 651           |
| 3"           | 0                          | 56                         | 8          | 23         | 0         | 0              | 37                   | 124           |
| 4"           | 0                          | 21                         | 5          | 12         | 0         | 0              | 19                   | 57            |
| 6"           | 0                          | 2                          | 10         | 1          | 3         | 0              | 16                   | 32            |
| 8"           | 0                          | 1                          | 4          | 1          | 2         | 7              | 5                    | 20            |
| 10"          | 0                          | 0                          | 0          | 0          | 1         | 1              | 0                    | 2             |
| 18"          | 0                          | 0                          | 0          | 0          | 2         | 0              | 0                    | 2             |
| 36"          | 0                          | 0                          | 0          | 0          | 0         | 2              | 0                    | 2             |
| <b>Total</b> | <b>32,185</b>              | <b>3,468</b>               | <b>161</b> | <b>137</b> | <b>8</b>  | <b>10</b>      | <b>1,572</b>         | <b>37,541</b> |

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**WELLS AVAILABLE FOR EMERGENCY USE**

| Location                           | Depth | Diameter | Yield in Gallons/Day |
|------------------------------------|-------|----------|----------------------|
| 1479 North Military Avenue         | 809'  | 12"      | 1,440,000            |
| 3120 Sturgeon Bay Road (Hwy 54/57) | 132'  | 12"      | 1,000,000            |
| 2240 Eastman Avenue                | 943'  | 17"      | 1,152,000            |
| 1817 Deckner Avenue                | 973'  | 12"      | 648,000              |
| 1451 Cass Street                   | 918'  | 15"      | 1,238,400            |
| 605 South Adams Street (Mason)     | 917'  | 16"      | 1,332,000            |
| 1569 Seventh Street                | 860'  | 17"      | 1,670,000            |
| 2105 Sugar Maple Court (Highland)  | 777'  | 16"      | 1,425,000            |
| 1649 Bond Street                   | 807'  | 15"      | 1,555,000            |

**RESERVOIRS IN SERVICE**

| Location                           | Year Constructed | Primary Material | Capacity in Gallons |
|------------------------------------|------------------|------------------|---------------------|
| 1451 Cass Street                   | 1938             | Concrete         | 1,500,000           |
| 3120 Sturgeon Bay Road (Hwy 54/57) | 1962             | Concrete         | 500,000             |
| Filtration Plant, 6183 Finger Road | 1957             | Concrete         | 2,000,000           |
| Filtration Plant, 6183 Finger Road | 1968             | Concrete         | 2,000,000           |
| Kewaunee Booster Station, Hwy B    | 1968             | Concrete         | 1,000,000           |
| Filtration Plant, 6183 Finger Road | 1975             | Concrete         | 4,000,000           |
| 641 South Grandview Road           | 1992             | Concrete         | 1,000,000           |

**ELEVATED TANKS IN SERVICE**

| Location                           | Year Constructed | Primary Material | Capacity in Gallons |
|------------------------------------|------------------|------------------|---------------------|
| 940 North Broadway                 | 1937             | Steel            | 500,000             |
| Filtration Plant, 6183 Finger Road | 1957             | Steel            | 150,000             |
| 629 Mount Mary Drive               | 1958             | Steel            | 50,000              |
| 1810 South Point Road              | 1981             | Steel            | 2,000,000           |
| 720 South Huron Road               | 1992             | Steel            | 750,000             |
| 2228 North Quincy Street           | 1998             | Concrete         | 2,000,000           |
| Filtration Plant, 6183 Finger Road | 2006             | Steel            | 500,000             |

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**UTILITY PLANT IN SERVICE AT YEAR END - LAST TEN YEARS**

| Description                        | 2018           | 2017           | 2016           | 2015           | 2014           | 2013           | 2012           | 2011           | 2010           | 2009           |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>General Green Bay Plant</b>     |                |                |                |                |                |                |                |                |                |                |
| Land                               | \$ 264,966     | \$ 264,966     | \$ 264,966     | \$ 264,174     | \$ 264,174     | \$ 264,174     | \$ 264,174     | \$ 264,174     | \$ 264,174     | \$ 257,758     |
| Pumping plant structures           | 3,545,930      | 3,545,931      | 3,545,931      | 3,545,931      | 3,382,011      | 3,381,170      | 3,381,170      | 3,381,170      | 3,381,170      | 3,287,992      |
| Reservoirs and standpipes          | 4,484,500      | 4,484,500      | 4,484,500      | 4,484,500      | 4,484,500      | 4,484,500      | 4,484,500      | 4,484,500      | 4,484,500      | 4,484,500      |
| Wells                              | 719,543        | 719,543        | 719,543        | 719,543        | 719,543        | 719,543        | 719,543        | 719,543        | 719,543        | 719,543        |
| Office building & garage           | 2,545,434      | 2,525,366      | 2,525,366      | 2,513,041      | 2,463,183      | 2,285,905      | 2,299,154      | 2,280,556      | 2,269,481      | 2,201,104      |
| Water treatment structures         | 2,835          | 2,835          | 2,835          | 2,835          | 2,835          | 2,835          | 2,835          | 2,835          | 2,835          | 2,835          |
| Supply mains                       | 4,922,031      | 4,922,017      | 4,922,017      | 4,922,017      | 4,470,193      | 4,425,118      | 4,425,118      | 4,428,572      | 4,428,572      | 4,428,572      |
| Distribution mains                 | 75,760,160     | 72,810,110     | 70,214,151     | 68,174,100     | 65,999,622     | 65,894,468     | 64,803,422     | 64,082,647     | 61,277,522     | 59,728,034     |
| Services                           | 18,712,466     | 16,739,574     | 15,082,154     | 13,608,828     | 13,080,171     | 12,845,509     | 12,348,331     | 12,074,240     | 11,468,789     | 11,218,137     |
| Meters                             | 8,217,953      | 8,190,677      | 8,033,406      | 7,840,814      | 7,737,632      | 7,702,721      | 7,545,641      | 7,265,633      | 6,716,815      | 6,102,611      |
| Hydrants                           | 8,322,159      | 7,976,604      | 7,776,986      | 7,513,426      | 7,375,074      | 7,153,155      | 6,798,948      | 6,564,916      | 6,221,989      | 5,965,384      |
| Treatment equipment                | 185,467        | 185,467        | 185,467        | 185,467        | 184,534        | 182,059        | 178,652        | 178,652        | 178,652        | 178,652        |
| Telemetry equipment                | 190,736        | 190,736        | 190,736        | 176,881        | 176,881        | 163,531        | 163,531        | 163,531        | 47,150         | 47,150         |
| Electric pumping equipment         | 1,431,757      | 1,431,757      | 1,360,569      | 1,328,422      | 1,337,057      | 1,278,348      | 1,277,073      | 1,277,073      | 1,263,976      | 1,263,976      |
| Power production equipment         | 237,309        | 237,309        | 237,309        | 237,309        | -              | -              | -              | -              | -              | -              |
| Power operated equipment           | 657,411        | 710,553        | 604,324        | 604,324        | 582,075        | 548,058        | 548,058        | 548,058        | 548,058        | 526,596        |
| Tools, shop & garage equipment     | 1,211,495      | 1,175,318      | 1,194,564      | 1,129,706      | 1,076,945      | 1,038,682      | 956,286        | 894,527        | 886,166        | 754,596        |
| Stores equipment                   | 40,650         | 40,650         | 40,650         | 40,650         | 40,650         | 40,650         | 37,988         | 37,988         | 37,988         | 37,988         |
| Transportation equipment           | 2,361,060      | 2,412,854      | 2,266,006      | 2,023,030      | 1,686,779      | 1,686,779      | 1,639,015      | 1,623,223      | 1,621,382      | 1,615,764      |
| Communication equipment            | 58,035         | 58,035         | 58,035         | 56,785         | 56,785         | 56,785         | 56,785         | 56,785         | 67,664         | 67,664         |
| Office furniture & computers       | 3,737,534      | 3,509,003      | 3,566,178      | 3,313,995      | 2,916,918      | 2,720,066      | 2,465,277      | 2,629,794      | 2,618,809      | 2,518,252      |
|                                    | 137,609,431    | 132,133,805    | 127,275,693    | 122,685,778    | 118,037,562    | 116,874,056    | 114,395,501    | 112,958,417    | 108,505,235    | 105,407,108    |
| <b>Lake Michigan Supply System</b> |                |                |                |                |                |                |                |                |                |                |
| Land                               | 259,723        | 259,723        | 259,723        | 259,723        | 259,723        | 259,723        | 259,723        | 259,723        | 259,723        | 259,723        |
| Pumping plant structures           | 2,997,629      | 2,805,052      | 2,805,052      | 2,805,052      | 2,805,052      | 2,805,052      | 2,788,357      | 2,716,857      | 2,716,857      | 2,175,165      |
| Reservoirs and standpipes          | 97,448         | 97,448         | 97,448         | 97,448         | 97,448         | 97,448         | 97,448         | 97,448         | 97,448         | 97,448         |
| Water treatment structures         | 15,459,985     | 15,418,758     | 15,418,758     | 15,418,758     | 15,402,598     | 15,402,598     | 15,400,813     | 15,335,860     | 15,034,561     | 14,990,648     |
| Lake intakes                       | 1,539,207      | 1,539,207      | 1,539,207      | 1,539,207      | 1,539,207      | 1,539,207      | 1,539,207      | 1,539,207      | 1,539,207      | 1,539,207      |
| Supply mains                       | 43,764,408     | 43,764,408     | 43,114,197     | 43,095,218     | 42,795,003     | 42,795,003     | 42,795,003     | 42,593,662     | 41,055,061     | 40,952,055     |
| Distribution mains                 | 646,049        | 646,048        | 646,048        | 646,048        | 646,048        | 646,048        | 646,048        | 646,048        | 646,048        | 646,048        |
| Electric pumping equipment         | 3,783,567      | 3,783,567      | 3,783,567      | 3,783,567      | 3,783,567      | 3,783,567      | 3,780,981      | 3,780,981      | 3,768,240      | 971,158        |
| Treatment equipment                | 18,696,806     | 18,688,365     | 18,502,929     | 18,157,813     | 18,155,719     | 17,739,858     | 17,590,652     | 17,578,437     | 17,538,105     | 17,517,522     |
| Telemetry equipment                | 1,247,123      | 1,247,123      | 1,229,123      | 967,083        | 1,351,119      | 1,351,119      | 1,342,327      | 1,339,612      | 1,339,612      | 1,292,937      |
| Tools, shop & garage equipment     | 43,337         | 43,337         | 52,965         | 52,965         | 52,965         | 52,965         | 52,965         | 52,965         | 33,797         | 33,797         |
| Laboratory equipment               | 41,977         | 41,977         | 32,799         | 32,799         | 32,799         | 32,799         | 32,799         | 32,799         | 32,799         | 32,799         |
| Communication equipment            | 321,656        | 321,656        | 321,656        | 305,751        | 106,514        | 106,514        | 106,514        | 106,514        | 106,514        | 100,959        |
| Office furniture & computers       | 30,595         | 30,595         | 30,595         | 30,595         | 30,595         | 30,595         | 30,595         | 29,787         | 29,787         | 29,787         |
| Power production equipment         | 1,612,314      | 1,612,314      | 1,612,314      | 1,609,818      | 1,372,509      | 1,372,509      | 1,372,509      | 1,372,509      | 1,372,509      | 1,372,509      |
|                                    | 90,541,823     | 90,299,578     | 89,446,381     | 88,801,845     | 88,430,866     | 88,015,005     | 87,835,941     | 87,482,409     | 85,570,268     | 82,011,762     |
| Total                              | \$ 228,151,254 | \$ 222,433,383 | \$ 216,722,074 | \$ 211,487,623 | \$ 206,468,428 | \$ 204,889,061 | \$ 202,231,442 | \$ 200,440,826 | \$ 194,075,503 | \$ 187,418,870 |



**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**SUPPLY MAINS IN SERVICE  
TYPE AND SIZE IN SERVICE DECEMBER 31, 2018**

| Type and Size of Main    | Feet In Service<br>Dec. 31, 2017 | Added<br>In 2018 | Retired<br>In 2018 | Adjusted<br>In 2018 | Feet In Service<br>Dec. 31, 2018 |
|--------------------------|----------------------------------|------------------|--------------------|---------------------|----------------------------------|
| 16" Ductile Iron         | 7,021                            |                  |                    |                     | 7,021                            |
| 16" Prestressed Concrete | 3,629                            |                  |                    |                     | 3,629                            |
| 16" Steel                | 43                               |                  |                    |                     | 43                               |
| 16" PVC                  | 3                                |                  |                    |                     | 3                                |
| 18" Steel                | 53                               |                  |                    |                     | 53                               |
| 20" Prestressed Concrete | 3,405                            |                  |                    |                     | 3,405                            |
| 20" Ductile Iron         | 4                                |                  |                    |                     | 4                                |
| 24" Cast Iron            | 18                               |                  |                    |                     | 18                               |
| 24" Prestressed Concrete | 24,854                           |                  | (7)                | 18                  | 24,865                           |
| 24" Ductile Iron         | 17,375                           |                  |                    | 2                   | 17,377                           |
| 30" Prestressed Concrete | 2,307                            |                  |                    |                     | 2,307                            |
| 30" Ductile Iron         | 3,850                            |                  |                    |                     | 3,850                            |
| 30" Steel                | 18                               |                  |                    |                     | 18                               |
| 36" Prestressed Concrete | 133,351                          |                  |                    |                     | 133,351                          |
| 36" Ductile Iron         | 7,325                            |                  |                    | 5                   | 7,330                            |
| 36" Steel                | 123                              |                  |                    |                     | 123                              |
| 42" Prestressed Concrete | 78,154                           |                  |                    |                     | 78,154                           |
| 42" Steel                | 1,286                            |                  |                    |                     | 1,286                            |
| 54" Steel                | 75,587                           |                  |                    |                     | 75,587                           |
| Totals                   | <u>358,406</u>                   | <u>0</u>         | <u>(7)</u>         | <u>25</u>           | <u>358,424</u>                   |

The amounts in the "Adjusted in 2018" column are due to adjusting the historical footages to actual footages as determined by the Water Utility's computerized geographic information system (GIS).

**RIVER CROSSING SUPPLY MAINS IN SERVICE DECEMBER 31, 2018**

|                    |                                |                  |                  |
|--------------------|--------------------------------|------------------|------------------|
| <b>FOX RIVER:</b>  |                                |                  |                  |
| 1964               | Emilie Street to Ninth Street  | 1,812 ft.        | 24" Steel        |
| 1971               | Mason Street Crossing          | 1,061 ft.        | 24" Ductile Iron |
| 2005               | Grignon Street to Ninth Street | 2,332 ft.        | 36" Steel        |
| <b>EAST RIVER:</b> |                                |                  |                  |
| 1957               | Cass Street Crossing           | 302 ft.          | 30" Steel        |
| 1995               | Lawe Street Crossing           | 1,567 ft.        | 36" Steel        |
|                    |                                | <u>7,074</u> ft. |                  |

69.2 Miles of Supply Mains in Service as of December 31, 2018

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**DISTRIBUTION AND TRANSMISSION MAINS IN SERVICE  
TYPE AND SIZE IN SERVICE DECEMBER 31, 2018**

| Type and Size of Main | Feet In Service<br>Dec. 31, 2017 | Added<br>In 2018 | Retired<br>In 2018 | Adjusted<br>In 2018 | Feet In Service<br>Dec. 31, 2018 |
|-----------------------|----------------------------------|------------------|--------------------|---------------------|----------------------------------|
| 3/4" Galvanized       | 335                              |                  |                    |                     | 335                              |
| 3/4" Lead             | 0                                |                  |                    |                     | 0                                |
| 3/4" Copper           | 470                              |                  |                    |                     | 470                              |
| 1" Galvanized         | 1,238                            |                  |                    | 3                   | 1,241                            |
| 1" Lead               | 0                                |                  |                    |                     | 0                                |
| 1" Copper             | 1,270                            |                  |                    | 8                   | 1,278                            |
| 1" Polyethylene       | 243                              |                  |                    |                     | 243                              |
| 1 1/4" Galvanized     | 457                              |                  |                    |                     | 457                              |
| 1 1/4" Copper         | 244                              |                  |                    |                     | 244                              |
| 1 1/2" Galvanized     | 2,023                            |                  |                    |                     | 2,023                            |
| 1 1/2" Copper         | 2,703                            |                  |                    |                     | 2,703                            |
| 1 1/2" Polyethylene   | 245                              |                  |                    |                     | 245                              |
| 2" Galvanized         | 1,251                            |                  | (2)                |                     | 1,249                            |
| 2" Cast Iron          | 8,737                            |                  | (14)               |                     | 8,723                            |
| 2" Ductile Iron       | 514                              |                  |                    |                     | 514                              |
| 2" Copper             | 3,356                            |                  |                    |                     | 3,356                            |
| 2" Brass              | 15                               |                  |                    |                     | 15                               |
| 2" Polyethylene       | 318                              |                  |                    |                     | 318                              |
| 2 1/2" Galvanized     | 724                              |                  |                    |                     | 724                              |
| 3" Cast Iron          | 129                              |                  |                    |                     | 129                              |
| 3" Ductile Iron       | 106                              |                  |                    |                     | 106                              |
| 4" Cast Iron          | 5,901                            |                  | (669)              | 11                  | 5,243                            |
| 4" Ductile Iron       | 10,754                           |                  | (47)               |                     | 10,707                           |
| 4" PVC                | 128                              |                  | (23)               |                     | 105                              |
| 6" Phipp's Hydraulic  | 4,887                            |                  | (11)               | 21                  | 4,897                            |
| 6" Cast Iron          | 468,148                          |                  | (9,042)            | 84                  | 459,190                          |
| 6" Ductile Iron       | 97,891                           |                  | (1,139)            | 9                   | 96,761                           |
| 6" PVC                | 8,373                            | 453              | (11)               | 20                  | 8,835                            |
| 8" Phipp's Hydraulic  | 1,251                            |                  | (768)              |                     | 483                              |
| 8" Cast Iron          | 103,401                          |                  | (113)              | 386                 | 103,674                          |
| 8" Ductile Iron       | 645,854                          | 141              | (878)              | 234                 | 645,351                          |
| 8" PVC                | 167,951                          | 12,511           |                    | 27                  | 180,489                          |
| 10" Cast Iron         | 84,380                           |                  | (1,003)            | 560                 | 83,937                           |
| 10" Ductile Iron      | 23,433                           |                  | (13)               |                     | 23,420                           |
| 10" PVC               | 627                              | 57               |                    | 7                   | 691                              |
| 12" Cast Iron         | 61,606                           |                  | (118)              | 18                  | 61,506                           |
| 12" Ductile Iron      | 355,330                          | 19               | (858)              | 43                  | 354,534                          |
| 12" PVC               | 95,313                           | 2,536            | (56)               | 79                  | 97,872                           |
| 16" Cast Iron         | 26,916                           |                  | (12)               | 13                  | 26,917                           |
| 16" Ductile Iron      | 113,626                          | 6                | (97)               |                     | 113,535                          |
| 16" Steel             | 0                                |                  |                    |                     | 0                                |
| 16" PVC               | 14,268                           | 39               | (5)                | 6                   | 14,308                           |
| 18" Cast Iron         | 1,849                            |                  |                    |                     | 1,849                            |
| 18" Ductile Iron      | 437                              |                  |                    |                     | 437                              |
| 18" Polyethylene      | 783                              |                  |                    |                     | 783                              |
| 20" Ductile Iron      | 227                              |                  |                    |                     | 227                              |
| 24" Ductile Iron      | 566                              |                  |                    |                     | 566                              |
| Totals                | <u>2,318,278</u>                 | <u>15,762</u>    | <u>(14,879)</u>    | <u>1,529</u>        | <u>2,320,690</u>                 |

The amounts in the "Adjusted in 2018" column are due to adjusting the historical footages to actual footages as determined by the Water Utility's computerized geographic information system (GIS).

**RIVER CROSSING TRANSMISSION MAINS IN SERVICE DECEMBER 31, 2018**

**FOX RIVER:**

|      |                                   |           |                  |
|------|-----------------------------------|-----------|------------------|
| 1906 | Stuart Street to School Place     | 991 ft.   | 16" Cast Iron    |
|      |                                   | 79 ft.    | 16" Ductile Iron |
| 1996 | Prairie Avenue to Radisson Street | 1,433 ft. | 16" Steel        |
|      |                                   | 319 ft.   | 16" Ductile Iron |

**EAST RIVER:**

|      |                         |                  |               |
|------|-------------------------|------------------|---------------|
| 1905 | Cedar Street Crossing   | 286 ft.          | 12" Cast Iron |
| 1907 | Jackson Street Crossing | 354 ft.          | 12" Cast Iron |
| 1934 | Cass Street Crossing    | 794 ft.          | 12" Cast Iron |
| 1939 | Irwin Avenue Crossing   | 717 ft.          | 12" Cast Iron |
|      |                         | 15 ft.           | 10" Cast Iron |
|      |                         | <u>4,988</u> ft. |               |

Total Distribution Mains in Service December 31, 2018 2,320,690 ft.

Total River Crossing Transmission Mains in Service December 31, 2018 4,988 ft.

440 Miles of Distribution and Transmission Mains in Service as of December 31, 2018

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

WATER SERVICES (LATERALS) IN SERVICE  
TYPE AND SIZE IN SERVICE DECEMBER 31, 2018

| TYPE AND SIZE<br>OF PIPE           | IN SERVICE<br>DEC. 31, 2017 | ADDED<br>IN 2018 | RETIRED<br>IN 2018 | ADJUSTED<br>IN 2018 | IN SERVICE<br>DEC. 31, 2018 |
|------------------------------------|-----------------------------|------------------|--------------------|---------------------|-----------------------------|
| 3/4" Galvanized                    | 126                         |                  | (1)                |                     | 125                         |
| 3/4" Lead                          | 1,409                       |                  | (375)              |                     | 1,034                       |
| 3/4" Tubeloy (lead & copper alloy) | 2                           |                  |                    |                     | 2                           |
| 3/4" Copper                        | 15,667                      | 3                | (98)               |                     | 15,572                      |
| 3/4" Polyethylene                  | 9                           |                  |                    |                     | 9                           |
| 1" Galvanized                      | 7                           |                  |                    |                     | 7                           |
| 1" Lead                            | 0                           |                  |                    |                     | 0                           |
| 1" Copper                          | 13,011                      | 171              | (11)               |                     | 13,171                      |
| 1" Polyethylene                    | 3,036                       | 263              |                    |                     | 3,299                       |
| 1 1/4" Galvanized                  | 2                           |                  |                    |                     | 2                           |
| 1 1/2" Galvanized                  | 1                           |                  |                    |                     | 1                           |
| 1 1/2" Copper                      | 686                         |                  | (7)                |                     | 679                         |
| 1 1/2" Polyethylene                | 58                          | 5                | 1                  |                     | 64                          |
| 2" Galvanized                      | 3                           |                  |                    |                     | 3                           |
| 2" Copper                          | 614                         |                  | (3)                |                     | 611                         |
| 2" Polyethylene                    | 96                          | 6                | (1)                |                     | 101                         |
| 2" Cast Iron                       | 13                          |                  |                    |                     | 13                          |
| 2" Ductile Iron                    | 1                           |                  |                    |                     | 1                           |
| 3" Cast Iron                       | 17                          |                  |                    |                     | 17                          |
| 3" Ductile Iron                    | 47                          |                  |                    |                     | 47                          |
| 4" Cast Iron                       | 23                          |                  |                    |                     | 23                          |
| 4" Ductile Iron                    | 150                         |                  | (1)                |                     | 149                         |
| 4" PVC                             | 48                          |                  |                    |                     | 48                          |
| 4" Copper                          | 1                           |                  |                    |                     | 1                           |
| 6" Cast Iron                       | 39                          |                  | (2)                |                     | 37                          |
| 6" Ductile Iron                    | 192                         |                  | (4)                |                     | 188                         |
| 6" PVC                             | 82                          | 1                | 2                  |                     | 85                          |
| 8" Cast Iron                       | 8                           |                  | (1)                |                     | 7                           |
| 8" Ductile Iron                    | 130                         |                  | (3)                |                     | 127                         |
| 8" PVC                             | 76                          | 5                | 1                  |                     | 82                          |
| 10" Cast Iron                      | 2                           |                  |                    |                     | 2                           |
| 10" Ductile Iron                   | 30                          |                  |                    |                     | 30                          |
| 10" PVC                            | 11                          | 2                |                    |                     | 13                          |
| 12" Cast Iron                      | 1                           |                  |                    |                     | 1                           |
| 12" Ductile Iron                   | 16                          |                  |                    |                     | 16                          |
| 12" PVC                            | 6                           |                  |                    |                     | 6                           |
| 16" Ductile Iron                   | 1                           | 1                |                    |                     | 2                           |
| 24" Ductile Iron                   | 1                           |                  |                    |                     | 1                           |
| <b>Total Services</b>              | <u>35,622</u>               | <u>457</u>       | <u>(503)</u>       | <u>0</u>            | <u>35,576</u>               |

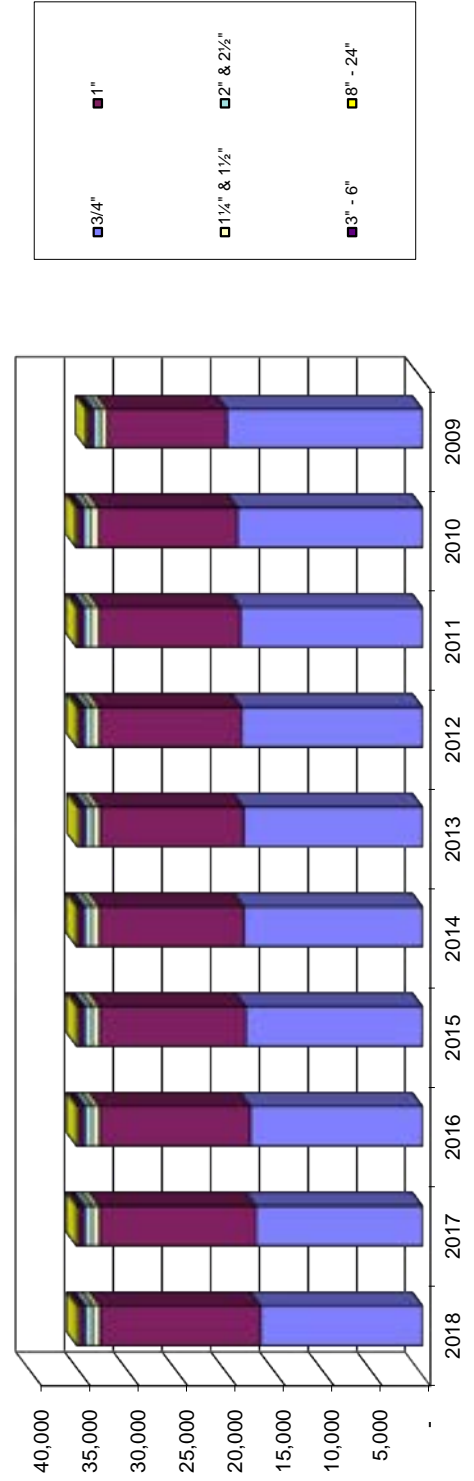
The amounts in the "Adjusted in 2018" column are due to adjusting the historical counts to actual counts as determined by the Water Utility's computerized geographic information system (GIS).

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**WATER SERVICES (LATERALS) IN SERVICE - LAST TEN YEARS**

|               | 2018          | 2017          | 2016          | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          | 2009          |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 3/4"          | 16,742        | 17,213        | 17,795        | 18,261        | 18,454        | 18,479        | 18,697        | 18,817        | 19,109        | 20,190        |
| 1"            | 16,477        | 16,054        | 15,463        | 15,007        | 14,839        | 14,748        | 14,591        | 14,510        | 14,286        | 12,313        |
| 1 1/4"        | 2             | 2             | 2             | 2             | 2             | 1             | 2             | 2             | 1             | 1             |
| 1 1/2"        | 744           | 745           | 743           | 744           | 743           | 743           | 742           | 746           | 751           | 647           |
| 2"            | 729           | 727           | 722           | 722           | 724           | 714           | 711           | 710           | 698           | 715           |
| 2 1/2"        | -             | -             | -             | -             | -             | -             | -             | -             | -             | 3             |
| 3"            | 64            | 64            | 65            | 66            | 66            | 67            | 71            | 72            | 73            | 67            |
| 4"            | 221           | 222           | 222           | 223           | 223           | 221           | 217           | 216           | 216           | 206           |
| 6"            | 310           | 313           | 314           | 305           | 303           | 296           | 297           | 297           | 293           | 266           |
| 8"            | 216           | 214           | 212           | 207           | 205           | 204           | 203           | 198           | 195           | 168           |
| 10"           | 45            | 43            | 43            | 42            | 42            | 41            | 41            | 41            | 40            | 39            |
| 12"           | 23            | 23            | 23            | 21            | 21            | 21            | 21            | 23            | 22            | 22            |
| 16"           | 2             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             |
| 24"           | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | -             | -             |
| <b>Totals</b> | <b>35,576</b> | <b>35,622</b> | <b>35,606</b> | <b>35,602</b> | <b>35,624</b> | <b>35,537</b> | <b>35,595</b> | <b>35,634</b> | <b>35,685</b> | <b>34,638</b> |

Note: 1,042 of the 1,047 increase in the number of services in 2010 is due to adjusting the historical counts to actual counts as determined by the Water Utility's computerized geographic information system (GIS).



**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**OPERATING AND CAPITAL INDICATORS - LAST TEN YEARS**

|                       | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  | 2010  | 2009  |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Miles of water mains: |       |       |       |       |       |       |       |       |       |       |
| Supply mains          | 68.0  | 69.2  | 67.9  | 67.9  | 68.1  | 68.2  | 68.0  | 69.2  | 69.2  | 62.9  |
| River crossing mains  | 1.3   | 2.3   | 2.3   | 2.3   | 2.3   | 2.3   | 2.3   | 2.3   | 2.7   | 2.0   |
| Distribution mains    | 440.0 | 440.0 | 440.1 | 439.0 | 439.8 | 440.5 | 441.1 | 441.4 | 440.4 | 453.9 |
| Total                 | 509.3 | 511.5 | 510.3 | 509.2 | 510.2 | 511.0 | 511.4 | 512.9 | 512.3 | 518.8 |

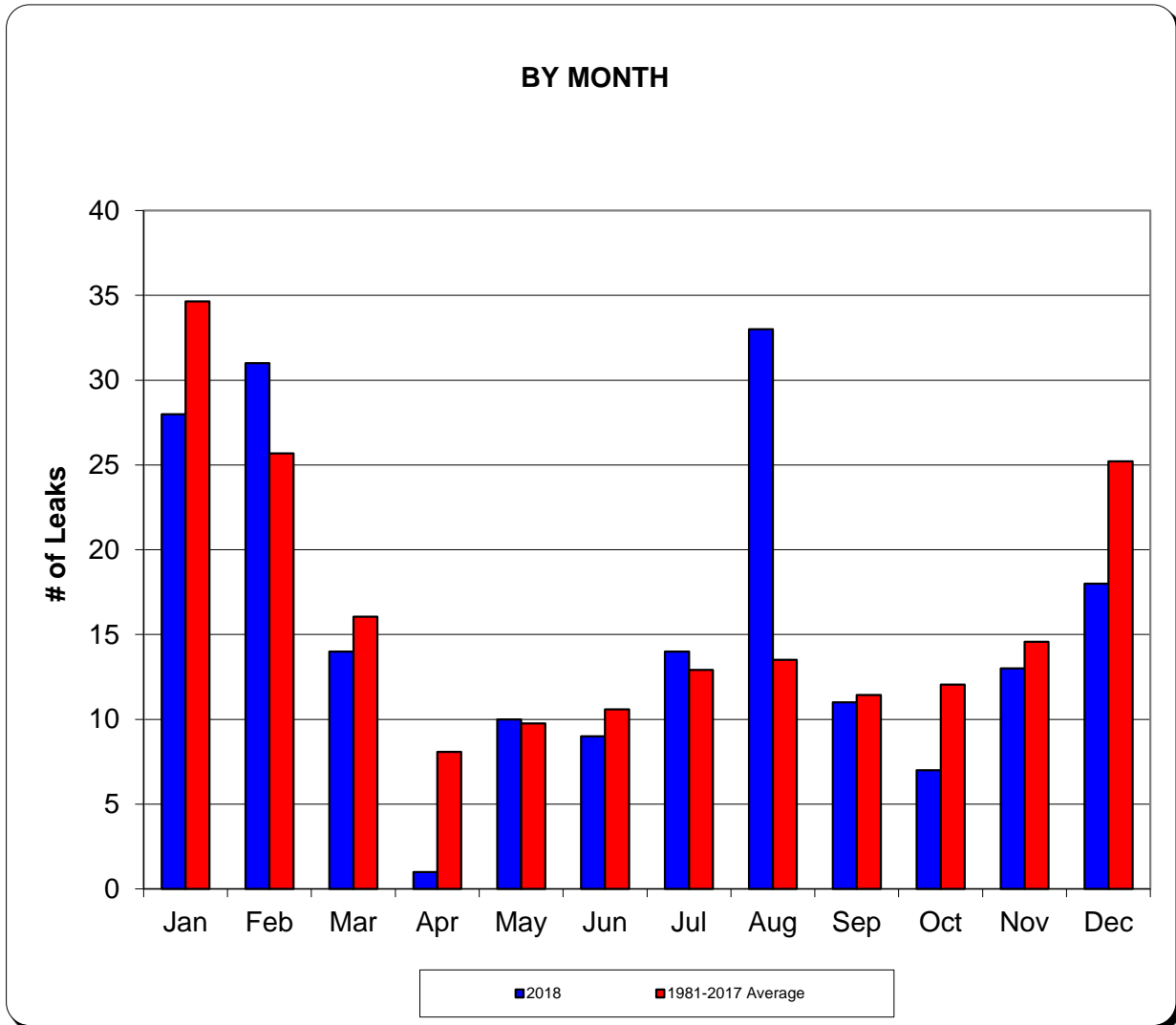
**Number of full-time Water Utility employees**

|                                 |      |      |    |    |    |    |    |    |    |    |
|---------------------------------|------|------|----|----|----|----|----|----|----|----|
| Pumping                         | 4.5  | 4    | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  |
| Water Treatment                 | 8    | 8    | 8  | 8  | 8  | 8  | 8  | 8  | 8  | 8  |
| Distribution & Engineering      | 27   | 27   | 25 | 26 | 24 | 24 | 23 | 23 | 23 | 23 |
| Metering & Customer Service     | 7    | 8    | 7  | 6  | 7  | 7  | 8  | 8  | 8  | 9  |
| Billing & Office Administration | 10   | 10   | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
|                                 | 5    | 4.5  | 4  | 2  | 2  | 2  | 3  | 3  | 3  | 3  |
| Total                           | 61.5 | 61.5 | 58 | 56 | 55 | 55 | 56 | 56 | 56 | 57 |

|   |            |            |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Average daily pumpage (gallons)   | 19,528,896 | 19,420,830 | 17,860,984 | 17,802,863 | 17,820,107 | 17,429,153 | 18,278,959 | 18,417,715 | 18,211,025 | 19,084,405 |
| Finished water storage capacity (gallons)                                 | 16,300,000 | 16,300,000 | 16,300,000 | 16,300,000 | 16,300,000 | 16,300,000 | 16,300,000 | 16,300,000 | 16,300,000 | 16,300,000 |
| Storage capacity as a percentage of average daily pumpage                 | 83.5%      | 83.9%      | 91.3%      | 91.6%      | 91.5%      | 93.5%      | 89.2%      | 88.5%      | 89.5%      | 85.4%      |
| Daily pump capacity at Lake Michigan pump station (gallons)               | 54,501,120 | 54,501,120 | 54,501,120 | 54,501,120 | 54,501,120 | 54,501,120 | 54,501,120 | 54,501,120 | 54,501,120 | 46,392,480 |
| Percentage of pump capacity used  | 35.8%      | 35.6%      | 32.8%      | 32.7%      | 32.7%      | 32.0%      | 33.5%      | 33.8%      | 33.4%      | 41.1%      |
| Daily capacity of stand-by wells for emergency use (gallons)              | 11,460,400 | 11,460,400 | 11,460,400 | 11,460,400 | 11,460,400 | 11,460,400 | 11,460,400 | 11,460,400 | 11,460,400 | 11,460,400 |
| Emergency stand-by well capacity as a percentage of average daily pumpage | 58.7%      | 59.0%      | 64.2%      | 64.4%      | 64.3%      | 65.8%      | 62.7%      | 62.2%      | 62.9%      | 60.1%      |

**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

**WATER MAIN LEAKS**



**ANNUAL WATER MAIN LEAKS**

|      |     |
|------|-----|
| 2014 | 294 |
| 2015 | 147 |
| 2016 | 138 |
| 2017 | 146 |
| 2018 | 189 |



**WATER UTILITY  
CITY OF GREEN BAY, WISCONSIN**

WATER RATES IN EFFECT ON OCTOBER 18, 1887

Bakeries

Bakeries may be charged according to the average daily use of flour, namely, for each barrel per day, the sum of \$4.00 annually; provided that in no case will the bakery be charged less than \$8.00 per year.

Manufacturing and other purposes

In all cases when large quantities of water are required, the quantity is to be ascertained by meters. For the first 2,000 gallons used daily, the rate is 4¢ per 100 gallons. For the quantity in excess of 2,000 gallons and up to 5,000 gallons used daily, the rate is 3¢ per 100 gallons. For the quantity in excess of 5,000 gallons up to 10,000 gallons used daily, the rate is 2¢ per 100 gallons.

Private Stables with one faucet therein

|                       |                 |
|-----------------------|-----------------|
| For first horse       | \$4.00 per year |
| Each additional horse | \$2.50 per year |
| Each cow              | \$1.50 per year |

Livery Club and Boarding Stables with one faucet therein

|                           |                  |
|---------------------------|------------------|
| For six horses or less    | \$12.00 per year |
| For each additional horse | \$1.50 per year  |

Steam Engines

Stationary steam engines working not over twelve hours per day may be charged by the horse-power as follows; for each horse-power up to and not exceeding ten, the sum of \$4.00 per year. For each horse-power exceeding ten and not over fifteen, the sum of \$3.50 per year. For each horse-power over fifteen, the sum of \$3.00 per year. No steam engine will be charged less than \$10.00 per year.

Eating House

Refectories, confectioners, eating houses, fish stalls, provision shops, refreshment and oyster houses will be charged not more than \$50.00 per year.

Stores, offices, etc.

|   |                 |
|---|-----------------|
| For each tenement occupied as a store, warehouse, or office | \$6.00 per year |
| Barber shop, first chair                                    | \$6.00 per year |
| Barber shop, each additional chair                          | \$2.00 per year |

Dwelling Houses

|  |                 |
|--|-----------------|
| Dwelling houses up to five rooms, for the first faucet | \$5.00 per year |
| For each additional room                               | \$1.00 per year |
| For each additional faucet                             | \$2.00 per year |



**THIS PAGE LEFT BLANK INTENTIONALLY**



# **COMPLIANCE SECTION**

**THIS PAGE LEFT BLANK INTENTIONALLY**



## Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Board of Commissioners  
Water Utility Commission  
Green Bay, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Water Utility of the City of Green Bay, Wisconsin, (the "Utility") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Utility's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 10 dated June 3, 2019.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the Utility's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control. Accordingly, we do not express an opinion on the effectiveness of the Utility's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Utility's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Utility's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Utility's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Utility's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin  
June 3, 2019

