



AGENDA OF THE WATER COMMISSION

**MONDAY, JULY 13, 2020, 8:30 AM
GREEN BAY WATER UTILITY
631 S Adams St**

- A. Roll Call.**
- B. Approval of the Agenda.**
- C. Approval of Minutes.**
- D. Regular Business.**
 - 1. Introduction of a new employee
 - 2. Approval of the 2019 Audit
 - 3. Approval of the building addition project submission to the Public Service Commission for construction authorization
 - 4. Approval of the May 2020 Financial Report
- E. Informational.**
 - 1. General Manager's Update
- F. Adjournment.**
- G. Zoom Info**

- I. Nancy Quirk is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://zoom.us/j/97464972399?pwd=UnElTHc5cUlak5Ja2lBRVR5bmxxdz09>

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Password: 464885

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Find your local number: <https://zoom.us/u/aElAwdiQv>

- 1) **ACCESSIBILITY:** Any person wishing to attend who requires special accommodation because of a disability, should contact the City Safety Manager at 920-448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.
- 2) **QUORUM:** Please take notice that a majority or quorum of the Common Council may attend this Water Commission meeting and will constitute a meeting of the Common Council for purposes of discussion and information gathering relative to this agenda.
- 3) **REPRESENTATION:** The party requesting the communication, or their representative, should be present at this meeting.



Report to the
Water Utility Commission
of the City of Green Bay

MEETING DATE

July 13, 2020

PREPARED BY

AGENDA ITEM # D.I

Introduction of a new employee

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

None



Report to the
Water Utility Commission
of the City of Green Bay

MEETING DATE

July 13, 2020

PREPARED BY

AGENDA ITEM # D.2

Approval of the 2019 Audit

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

1. Signed Governance Communication Green Bay Water Utility-2019
2. CAFR - 2019 Final



CliftonLarsonAllen LLP
CLAconnect.com

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

We have audited the financial statements of the Water Utility of the City of Green Bay, Wisconsin as of and for the year ended December 31, 2019, and have issued our report thereon dated June 23, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Green Bay Water Utility are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2020.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the depreciable life is based on upon analysis of expected useful life of the capital assets. We evaluated the key factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the fair value of the investments is based on ending market values as of December 31, 2018 as reported by the investment managers. We evaluated the key factors and assumptions used in valuing the investments in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of accumulated sick leave is based upon analysis of the employees sick leave balance. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the related liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability (asset) and related deferred outflows/inflows of resources is based on information received from the Wisconsin Retirement System. We evaluated the key factors and assumptions used to develop the net pension liability (asset) and related deferred outflows/inflows of resources in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated June 23, 2020.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

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

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

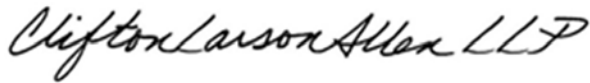
With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated June 23, 2020.

The Introductory and statistical sections accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of the Utility and is not intended to be, and should not be, used by anyone other than these specified parties.

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

CliftonLarsonAllen LLP

Sheboygan, Wisconsin
June 23, 2020



Green Bay Water Utility

631 S. ADAMS - P.O. BOX 1210
Green Bay, WI 54305-1210

920-448-3480
FAX 920-448-3486

June 23, 2020

CliftonLarsonAllen LLP
712 Riverfront Drive, Suite 301
Sheboygan, WI 53081

This representation letter is provided in connection with your audit of the financial statements of the Water Utility of the City of Green Bay, Wisconsin, as of December 31, 2019, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of June 23, 2020, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2019.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 02/21/2020, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
8. We have not identified or been notified of any uncorrected financial statement misstatements.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
12. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity's name" during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.
13. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
14. The methods and significant assumptions used to determine fair values of financial instruments are as follows: Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
15. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
16. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
17. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
18. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

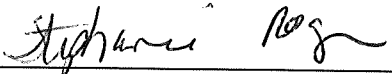
Information Provided

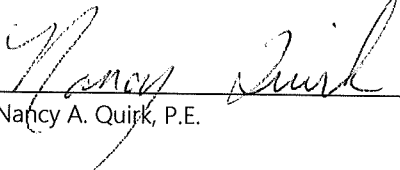
1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - e. Access to all audit or relevant monitoring reports, if any, received from funding sources.
- 2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
- 5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
- 7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
- 9. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- 10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
- 11. We have a process to track the status of audit findings and recommendations.
- 12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 13. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Green Bay Water Utility, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

14. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
15. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
16. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
17. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
18. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
19. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
20. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
21. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
22. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
23. We acknowledge our responsibility for presenting the supporting schedules (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

24. We agree with the findings of specialist in evaluating pension benefits and having adequately considered the qualifications of the specialist in determining the amount and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialist with respect to the values or amounts derived in an attempt to bias their work and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.

Signature:  Title: Business Manager
Stephanie Rogers, CPA

Signature:  Title: General Manager
Nancy A. Quirk, P.E.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**INCLUDING AUDITORS' REPORT
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2019 AND 2018**



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, 2019 AND 2018

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, 2019

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Water Utility
City of Green Bay, Wisconsin
Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

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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 30, 2020

A message from the Utility General Manager:

In 2019, 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 2019. Our vision is to be a leader in the drinking water industry and the excellent performance of our staff in 2019 help support that vision.

Examples of projects completed in 2019:

- Completed the third round of Uni-directional flushing of our central city distribution system, and also completed scouring our large transmission lines from Lake Michigan to the City
- Performed an Salary Market Study and incorporated the new rates in 2020 budget
- Conducted meetings with the top eleven water users to discuss rates, water quality, and water quantity
- Contracted for Satellite imagery to detect water line leaks. Repaired 57 water leaks proactively
- Performed close interval survey on 54" raw water lines
- Replaced 336 publically owned lead service lines
- Utility Website was updated to provide our customers additional and timely information
- Conducted pilot plant study of coagulants for reduction of organics in our water
- Completed LED light upgrade at our facilities
- Refinanced our debt to save over \$2.9 million dollars over the life of the bonds
- Completed a collaboration study (SPLASH) with neighboring utilities to identify business operations that could be shared to ensure the costs were efficient
- We replaced over 14,256 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 2019 a successful year.

Respectfully submitted

THE GREEN BAY WATER UTILITY

Nancy A. Quirk, P.E.
General Manager

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Green Bay Water Utility

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

920-448-3480
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Letter of Transmittal

June 30, 2020

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, 2019 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 133 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 105,693. 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 2019 City of Green Bay Capital Improvement Program (CIP) initiated the replacement of about 2.7 miles of existing distribution water main infrastructure. The City’s Street Resurfacing Program accounted for the 2.23 miles of the water main that was replaced. There was .49 miles of water main replacement generated by the City’s Street Reconstruction Program. There was 1.56 miles of new water main footage added into the distribution system in 2019.

In 2019, the Utility installed new computer hardware and software upgrades. This included replacing 25 Data Collection Units for meter reading.

In 2019, the Water Treatment Plant’s completed the LED lighting project and the filter pilot plant.

In 2019, the Operation’s section used Satellite Leak Detection to find 57 leaks which were repaired. The Water Utility had substantially the same number of main breaks in 2019 as in 2018. Lead removal was at the top of the list in 2019 for the Metering and Distribution Departments. There was 336 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.

AWARDS AND ACKNOWLEDGEMENTS

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, 2019, please refer to the financial section in this report.

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, 2018. 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, 2018 was the twenty-fifth 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,

Stephanie R. Rogers

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, 2018

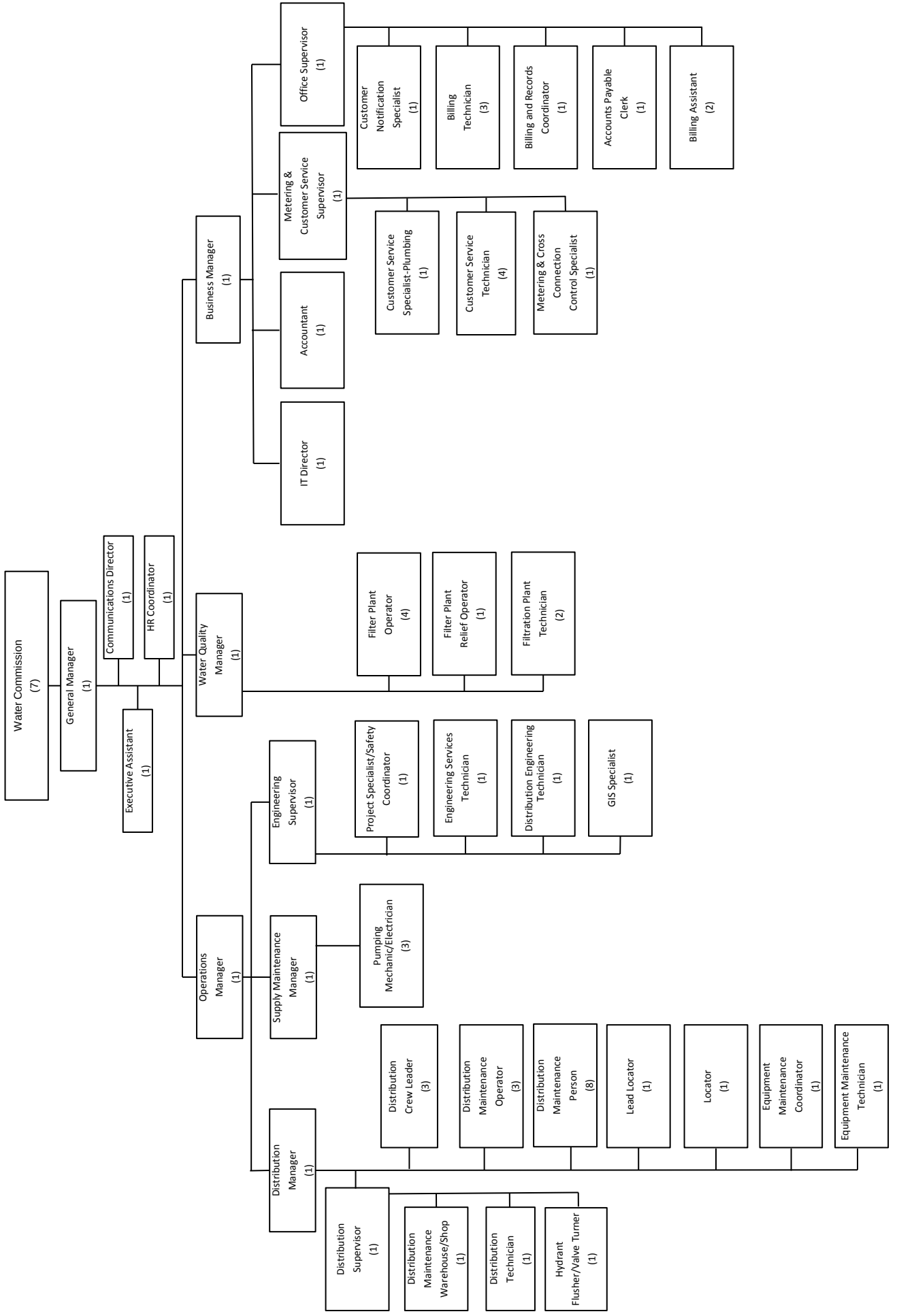
Christopher P. Morrill

Executive Director/CEO

WATER UTILITY

CITY OF GREEN BAY, WISCONSIN

TABLE OF ORGANIZATION



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

LIST OF PRINCIPAL OFFICIALS

BOARD OF WATERWORKS COMMISSIONERS			
		<u>Years of Service</u>	<u>Term Expires</u>
President	James F. Blumreich	16	2026
Vice President	Kathryn Hasselblad-Pascale	16	2024
Secretary	Douglas J. Martin	7	2025
Commissioner	Lisa M. Bauer Lotto *	6	2021
Commissioner	John C. Heugel	7	2020
Commissioner	Joe Moore	1	2020
Commissioner	Jamie Wall	<1	2026

* Left Commission in December 2019

COUNCIL REPRESENTATIVE

Alderman Kathy LeFebvre

LEGAL REPRESENTATIVE

William J. Vande Castle

UTILITY MANAGEMENT STAFF			
		<u>Years in This Position</u>	<u>Years Employed by Utility</u>
General Manager	Nancy A. Quirk, P.E.	7	7
Business Manager	Stephanie R. Rogers, CPA	2	2
Operations Manager	Brian K. Powell, P.E.	1	17
Supply Maintenance Manager	Thomas P. Landwehr	18	19
Water Quality Manager	Russell A. Hardwick	19	24
Distribution Maintenance Manager	Jason D. Maes	3	25
Engineering Supervisor	Kristin Romanowicz, P.E.	2	2
Communications Director	Andrea D. Hay	1	1
Office Supervisor	Kim Couillard	2	22
Metering and Customer Service Supervisor	Steve Koss	1	24
IT Director	Kevin J. Brunner	20	20

CERTIFIED PUBLIC ACCOUNTANTS

CliftonLarsonAllen, Green Bay, Wisconsin

BOND COUNCIL

Foley & Lardner, Madison, Wisconsin

FINANCIAL CONSULTANTS

Robert W. Baird & Co., Inc., Milwaukee, Wisconsin

FINANCIAL SECTION

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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, 2019, and the related notes to the financial statements, which collectively comprise the Utility's basic 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, 2019, and the changes in financial position and cash flows 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 1.A., 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, 2019 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.

As described in Note 3.B., the Utility recorded a prior period adjustment of \$1,872,088 to increase net position and accounts receivable. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Prior Year Summarized Financial Information

We have previously audited the Utility's 2018 financial statements, and our report dated June 3, 2019, expressed an unmodified opinion on those financial statements from which the prior year summarized financial information was derived. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 16 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.

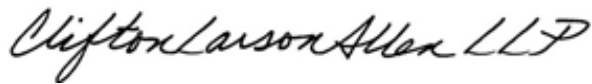
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Summarized Financial Information

We have previously audited the Utility's 2018 financial statements, and our report dated June 3, 2019, expressed an unmodified opinion on those financial statements from which the prior year summarized financial information was derived. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2020, 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.

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

CliftonLarsonAllen LLP

Sheboygan, Wisconsin

June 23, 2020

WATER UTILITY
CITY OF GREEN BAY, WISCONSIN
Management's Discussion and Analysis
December 31, 2019

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, 2019.

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 \$25.30 million in 2019 and expenses were \$20.35 million. The Utility's net position increased by \$4.95 million in 2019 to \$112.60 million. The \$9.94 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 \$6.74 million and \$95.92 million, respectively.

COMPARISON TO PRIOR FISCAL YEARS

Water sales for 2019 were 5.95 billion gallons compared to 6.14 billion gallons in 2018 and 6.07 billion gallons in 2017. No major customers were added or removed in 2018 or 2019.

Interest income increased in 2019. The average yield for 2019 was 3.19% compared to 2.83% for 2018 and 2.38% for 2017. The average investment balance increased to \$7 million in 2019 from \$6.7 million in 2018. The average investment balance was \$6.72 million in 2017.

Utility operating expenses increased in 2019 compared to 2018. The Utility added \$6.94 million in capital assets in 2019. Primarily, these capital assets consisted of water distribution mains, services, hydrants, and meters. 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 supply and distribution mains, services, hydrants, and meters.

The bond interest expense increased in 2019 compared to 2018 due to the increase in interest cost from the refinancing costs since the 2006 were refinanced during 2019. The decrease in bond interest expense in 2018 compared to 2017 was due to the 2006 and 2014 bonds were refinanced during 2017.

The net position of the Utility increased by \$4.95 million in 2019. Overall, the net position of the Utility increased by \$4.03 million in 2018.

WATER UTILITY
CITY OF GREEN BAY, WISCONSIN
Management's Discussion and Analysis
December 31, 2019

Revenues and Expenses Year-to-Year Comparison	Year Ending Dec. 31, 2019	Year Ending Dec. 31, 2018	Increase (Decrease)	% Change
Operating Revenues:				
Operating revenue:				
Residential	\$7,013,327	\$6,414,239	\$599,088	9.34%
Commercial	3,677,571	3,403,825	273,746	8.04%
Industrial	5,219,982	4,820,093	399,889	8.30%
Wholesale	3,434,908	3,251,388	183,520	5.64%
Public fire protection	1,340,187	1,621,169	(280,982)	-17.33%
All other	2,128,114	2,160,562	(32,448)	-1.50%
Total operating revenue	22,814,089	21,671,276	1,142,813	5.27%
Operating Expenses:				
Operating expenses	18,002,822	16,997,219	1,005,603	5.92%
Operating Income	4,811,267	4,674,057	137,210	2.94%
Nonoperating Revenues and Expenses:				
Interest income	607,969	275,633	332,336	120.57%
All other revenues	177,538	144,923	32,615	22.51%
Interest expense	(1,970,057)	(1,693,833)	(276,224)	16.31%
Amortization	(1,958)	(158,203)	156,245	-98.76%
Excess before contributions	3,624,759	3,242,577	382,182	11.79%
Capital Contributions	1,325,622	782,979	542,643	69.30%
Change in net position	4,950,381	4,025,556	924,825	22.97%
Net position – beginning of year	107,645,900	101,748,256	5,897,644	5.80%
Prior period adjustment	-	1,872,088	(1,872,088)	-100.00%
Net position – end of year	\$ 112,596,281	\$ 107,645,900	\$ 6,822,469	6.34%

Revenues and Expenses Year-to-Year Comparison	Year Ending Dec. 31, 2018	Year Ending Dec. 31, 2017	Increase (Decrease)	% Change
Operating Revenues:				
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%
Operating Expenses:				
Operating expenses	16,997,219	16,832,308	164,911	0.98%
Operating Income	4,674,057	4,287,799	386,258	9.01%
Nonoperating Revenues and Expenses:				
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%
Prior period adjustment	1,872,088	-	1,872,088	100.00%
Net position – end of year	\$ 107,645,900	\$ 101,748,256	\$ 5,897,644	5.80%

WATER UTILITY
CITY OF GREEN BAY, WISCONSIN
Management's Discussion and Analysis
December 31, 2019

Summary of Net Position	December 31,	December 31,	Increase
Year-to-Year Comparison	2019	2018	(Decrease)
Assets:			
Cash and investments	\$12,692,623	\$11,811,572	\$881,051
Receivables	9,748,029	9,089,597	658,432
Other assets	2,594,803	3,542,295	(947,492)
Net property, plant and equipment	143,578,554	143,016,762	561,792
Total Assets	168,614,009	167,460,226	1,153,783
Deferred Outflows of Resources:			
Deferred outflows	3,381,110	2,142,710	1,238,400
Liabilities:			
Payables	7,822,491	7,884,106	(61,615)
Accrued interest	450,683	263,202	187,481
Other liabilities – current	315,336	410,585	(95,249)
Other liabilities – long-term	188,217	168,112	20,105
Net pension liability	910,735	-	910,735
Bonds payable – current	3,705,000	3,560,000	145,000
Bonds payable – long-term	44,743,445	48,251,133	(3,507,688)
Total Liabilities	58,135,907	60,537,138	(2,401,231)
Deferred Inflows of Resources:			
Deferred inflows related to pension	1,262,931	1,419,898	(156,967)
Net Position:			
Net investment in capital assets	95,922,773	91,883,099	4,039,674
Restricted for debt retirement	6,697,747	6,529,150	168,597
Restricted for lead service replacement	39,356	36,485	2,871
Restricted for net pension asset	-	718,059	(718,059)
Unrestricted	9,936,405	8,479,107	1,457,298
Total Net Position	\$112,596,281	\$107,645,900	\$4,950,381
Summary of Net Position	December 31,	December 31,	Increase
Year-to-Year Comparison	2018	2017	(Decrease)
Assets:			
Cash and investments	\$11,811,572	\$11,270,790	\$ 540,782
Receivables	9,089,597	5,190,166	3,899,431
Other assets	3,542,295	3,063,643	478,652
Net property, plant and equipment	143,016,762	142,259,746	757,016
Total Assets	167,460,226	161,784,345	5,675,881
Deferred Outflows of Resources:			
Deferred outflows	2,142,710	2,548,247	(405,537)
Liabilities:			
Payables	7,884,106	5,828,358	2,055,748
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)
Total Liabilities	60,537,138	61,957,249	(1,420,111)
Deferred Inflows of Resources:			
Deferred inflows related to pension	1,419,898	627,087	792,811
Net Position:			
Net investment in capital assets	91,883,099	90,401,893	1,481,206
Restricted for debt retirement	6,529,150	3,049,249	3,479,901
Restricted for lead service replacement	36,485	56,252	(19,767)
Restricted for net pension asset	718,059	-	718,059
Unrestricted	8,479,107	8,240,862	238,245
Total Net Position	\$107,645,900	\$101,748,256	\$ 5,897,644

WATER UTILITY
CITY OF GREEN BAY, WISCONSIN
Management's Discussion and Analysis
December 31, 2019

CAPITAL ASSETS CHANGES

The Utility's total capital assets increased by \$4.71 million in 2019 and \$5.77 million in 2018. Of the 2019 increase, \$5.67 million was for new water mains, services, hydrants and meters. Of the 2018 increase, \$5.30 million was for new water mains, services, hydrants and meters. Total capital assets in service before depreciation were \$232.90 million and \$228.20 million as of December 31, 2019 and 2018 respectively. Construction in progress cost was \$105,153 as of December 31, 2019 and \$47,639 as of December 31, 2018. 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.

Changes in Capital Assets Year-to-Year Comparison	December 31, 2019	December 31, 2018	Increase (Decrease)	% Change
<u>Capital Investment</u>				
Land	\$ 524,689	\$ 524,689	\$ -	0.0%
Buildings and improvements	24,457,664	24,551,814	(94,150)	-0.4%
Improvements other than buildings	173,194,317	167,185,922	6,008,395	3.6%
Machinery and equipment	34,622,518	35,888,829	(1,266,311)	-3.5%
Total in-service	232,799,188	228,151,254	4,647,934	2.0%
Construction in progress	105,153	47,639	57,514	
Total Capital Assets	\$ 232,904,341	\$ 228,198,893	\$ 4,705,448	2.1%

Changes in Capital Assets Year-to-Year Comparison	December 31, 2018	December 31, 2017	Increase (Decrease)	% Change
<u>Capital Investment</u>				
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%

DEBT ADMINISTRATION

All scheduled bond payments in 2019 and 2018 were made on time. Requirements of the revenue bond ordinances have also been met, in full, as of December 31, 2019 and 2018. 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

WATER UTILITY
CITY OF GREEN BAY, WISCONSIN
Management's Discussion and Analysis
December 31, 2019

refund a portion of the 2006 and 2014 issues. In August 2019, revenue refunding bonds were issued in the amount of \$18,705,000 to refund the remaining outstanding portion of the 2006 revenue bonds. The revenue bond debt outstanding was \$44.25 million and \$51.31 million as of December 31, 2019 and 2018 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, 2019	December 31, 2018	Increase (Decrease)	% Change
<u>Debt Instrument</u>				
2006 Revenue bond	\$ -	\$ 24,705,000	\$ (24,705,000)	
2014 Revenue bond	10,360,000	11,135,000	(775,000)	
2017 Revenue bond	15,180,000	15,465,000	(285,000)	
2019 Revenue bond	18,705,000	-	18,705,000	
Total	\$ 44,245,000	\$ 51,305,000	\$ (7,060,000)	-13.8%

Year-to-Year Comparison	December 31, 2018	December 31, 2017	Increase (Decrease)	% Change
<u>Debt Instrument</u>				
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%

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 \$12.69 million as of December 31, 2019, \$11.88 million as of December 31, 2018 and \$11.27 million as of December 31, 2017. It was earning a weighted average of 3.19% as of December 31, 2019, 2.83% as of December 31, 2018 and 2.38% as of December 31, 2017, based on original purchase price. These utility funds as of December 31, 2019, 2018 and 2017 were invested as follows:

WATER UTILITY
CITY OF GREEN BAY, WISCONSIN
Management's Discussion and Analysis
December 31, 2019

Cash and Investment Type	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Wisconsin Local Government Investment Pool	0.82%	0.85%	0.80%
Negotiable certificates of deposit	11.16%	11.19%	13.18%
Municipal government bonds	39.35%	43.15%	42.00%
Corporate bonds	1.99%	2.09%	2.20%
U. S. Treasury	1.43%	0.00%	0.00%
Interest-bearing money market, checking & Savings accounts	45.25%	42.72%	41.82%
Total	100.00%	100.00%	100.00%

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, 2019 and 2018

	Totals	
	2019	2018
ASSETS		
Current assets		
Unrestricted Current assets		
Cash and investments	\$ 5,524,272	\$ 5,052,127
Receivables - Customer accounts	9,747,989	9,062,872
Inventories	498,043	520,195
Prepaid items	28,681	23,503
Total unrestricted current assets	<u>15,798,985</u>	<u>14,658,697</u>
Restricted Current assets		
Bond Redemption Fund		
Cash and investments	933,921	885,712
Accrued interest	1,295	1,529
Total bond redemption fund	<u>935,216</u>	<u>887,241</u>
Lead Service Replacement Fund		
Cash and investments	69,887	66,415
Receivables - Grants	40	26,725
Total lead service replacement fund	<u>69,927</u>	<u>93,140</u>
Total restricted current assets	<u>1,005,143</u>	<u>980,381</u>
Total current assets	<u>16,804,128</u>	<u>15,639,078</u>
Noncurrent assets		
Restricted assets		
Debt reserve fund		
Cash and investments	6,164,543	5,873,733
Accrued interest	48,671	31,378
Total Restricted assets	<u>6,213,214</u>	<u>5,905,111</u>
Other assets		
Construction grant to wholesale customers	506,400	538,050
Non-utility plant (net of amortization)	1,511,713	1,643,166
Net pension asset	-	718,059
Total other assets	<u>2,018,113</u>	<u>2,899,275</u>
Capital assets		
Land	524,689	524,689
Building and improvements	24,457,664	24,551,814
Improvements other than buildings	173,194,317	167,185,922
Machinery and equipment	34,622,518	35,888,829
Construction in progress	105,153	47,639
Total capital assets	<u>232,904,341</u>	<u>228,198,893</u>
Less accumulated depreciation	<u>89,325,787</u>	<u>85,182,131</u>
Net capital assets	<u>143,578,554</u>	<u>143,016,762</u>
Total non current assets	<u>151,809,881</u>	<u>151,821,148</u>
TOTAL ASSETS	<u>168,614,009</u>	<u>167,460,226</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on advance refunding	909,955	813,997
Pension related amounts	2,471,155	1,328,713
Total deferred outflows of resources	<u>3,381,110</u>	<u>2,142,710</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, 2019 and 2018

	Totals	
	2019	2018
LIABILITIES		
Current liabilities		
Accounts payable	\$ 506,804	\$ 968,032
Sewer and storm water collections payable	7,315,687	6,916,074
Accrued payroll taxes	33,613	31,168
Accrued compensated absences	251,152	322,762
Payable from restricted assets		
Current portion of long-term debt	3,705,000	3,560,000
Accrued interest	450,683	263,202
Lead service replacement advance	30,571	56,655
Total current liabilities	<u>12,293,510</u>	<u>12,117,893</u>
Long-term obligations, less current portion		
Revenue bonds	40,540,000	47,745,000
Debt premium net of discounts	4,203,445	506,133
Compensated absences	188,217	168,112
Net pension liability	910,735	-
Total long-term liabilities	<u>45,842,397</u>	<u>48,419,245</u>
TOTAL LIABILITIES	<u>58,135,907</u>	<u>60,537,138</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related amounts	<u>1,262,931</u>	<u>1,419,898</u>
NET POSITION		
Net investment in capital assets	95,922,773	91,883,099
Restricted for debt retirement	6,697,747	6,529,150
Restricted for lead service replacement	39,356	36,485
Restricted for net pension asset	-	718,059
Unrestricted	9,936,405	8,479,107
TOTAL NET POSITION	<u>\$ 112,596,281</u>	<u>\$ 107,645,900</u>

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, 2019 and 2018

	Totals	
	2019	2018
OPERATING REVENUES		
Charges for services	\$ 21,269,628	\$ 20,150,120
Other	1,544,461	1,521,156
Total operating revenues	22,814,089	21,671,276
OPERATING EXPENSES		
Operation and maintenance	10,379,148	9,390,756
Depreciation	5,228,702	5,253,175
Taxes	2,394,972	2,353,288
Total operating expenses	18,002,822	16,997,219
Operating income	4,811,267	4,674,057
NONOPERATING REVENUES (EXPENSES)		
Interest income	607,969	275,633
Miscellaneous income	177,538	144,923
Interest and fiscal charges	(1,970,057)	(1,693,833)
Amortization of debt discount	(375,717)	(385,645)
Amortization of debt premium	373,759	227,442
Total nonoperating revenues (expenses)	(1,186,508)	(1,431,480)
Income before contributions and transfers	3,624,759	3,242,577
Capital contributions	1,325,622	782,979
Change in net position	4,950,381	4,025,556
Net position - January 1, as originally reported	107,645,900	101,748,256
Prior period adjustment	-	1,872,088
Net position - January 1, as adjusted	107,645,900	103,620,344
Net position - December 31	<u>\$ 112,596,281</u>	<u>\$ 107,645,900</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, 2019 and 2018

	Totals	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 22,333,195	\$ 22,764,785
Cash paid for employee wages and benefits	(4,997,659)	(4,668,229)
Cash paid to suppliers	(7,153,343)	(6,946,008)
Net cash provided by operating activities	<u>10,182,193</u>	<u>11,150,548</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(5,018,486)	(5,693,385)
Advance received (used) for replacement of lead services	(26,084)	(138,213)
Sale of capital assets	110,335	25,176
Proceeds from long-term debt	18,705,000	-
Premium on long-term debt issue	3,599,395	-
Principal paid on long-term debt	(25,765,000)	(3,405,000)
Interest paid on long-term debt	(1,985,942)	(1,730,700)
Net cash flows provided (used) by capital and related financing activities	<u>(10,380,782)</u>	<u>(10,942,122)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the maturity on investments	6,269,795	5,952,366
Purchase of investments	(6,133,000)	(6,114,000)
Interest received	590,910	286,189
Net cash provided (used) by investing activities	<u>727,705</u>	<u>124,555</u>
Change in cash and cash equivalents	529,116	332,981
Cash and cash equivalents - January 1	5,038,655	4,705,674
Cash and cash equivalents - December 31	<u>\$ 5,567,771</u>	<u>\$ 5,038,655</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 4,811,267	\$ 4,674,057
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	4,999,335	5,027,530
Depreciation charged to sewer utility	229,367	225,645
Depreciation allocated to other accounts	255,981	432,942
Amortization of non-utility plant	131,453	131,453
Miscellaneous other income	177,538	144,923
Change WRS pension asset/liability	1,628,794	(914,775)
Change in pension deferred outflows	(1,142,442)	200,614
Change in pension deferred inflows	(156,967)	792,811
Change in operating assets and liabilities		
Accounts receivables	(658,432)	127,842
Inventories	22,152	(25,497)
Prepaid items	(5,178)	157,660
Accounts payable	(61,615)	188,922
Accrued liabilities	(49,060)	(13,579)
Net cash provided by operating activities	<u>\$ 10,182,193</u>	<u>\$ 11,150,548</u>
Reconciliation of cash and cash equivalents to the statement of net position		
Cash and cash equivalents in current assets	\$ 5,420,943	\$ 4,951,075
Cash and cash equivalents in restricted assets	146,828	87,580
Total cash and cash equivalents	<u>\$ 5,567,771</u>	<u>\$ 5,038,655</u>
Noncash capital and related financing activities		
Increase in fair value of investments held at year end	\$ 49,966	\$ 32,907
Capital assets contributed by municipality	\$ 532,619	\$ -
Capital assets contributed by customers	\$ 150,804	\$ 782,979

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, 2019 AND 2018

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.

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

Water Utility

City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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 expense 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.

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.

Water Utility

City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 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 qualify for reporting in this category. The first is the unamortized loss on refunding resulting from 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.

Water Utility

City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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.

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

Water Utility

City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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, 2018, 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 \$12,692,623 on December 31, 2019 and \$11,877,987 on December 31, 2018 as summarized below:

	2019	2018
Petty cash and cash on hand	\$ 1,700	\$ 1,700
Deposits with financial institutions	5,566,071	5,036,955
Investments		
Negotiable certificate of deposit	1,401,149	1,364,547
Wisconsin local government investment pool	103,329	101,052
U.S. Treasury	179,163	-
Corporate bonds	250,307	248,311
State and municipal bonds	4,940,954	4,883,352
Federal Farm Credit Bank	249,950	242,070
	<u>\$ 12,692,623</u>	<u>\$ 11,877,987</u>

Water Utility

City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

Reconciliation to the financial statements:

	2019	2018
Unrestricted current assets		
Cash and investments	\$ 5,524,272	\$ 5,052,127
Restricted current assets		
Cash and investments	1,003,808	952,127
Restricted noncurrent assets		
Cash and investments	6,164,543	5,873,733
	<u>\$ 12,692,623</u>	<u>\$ 11,877,987</u>

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, 2019 and December 31, 2018.

- State and local government securities, U.S. Treasuries, corporate bonds and federal agency 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 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

Water Utility

City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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, 2019, \$4,949,014 and as of December 31, 2018, \$5,149,309 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	AAA	AA+ to A+	A to AA-	Exempt from Disclosure Not Rated
December 31, 2019							
State and municipal bonds	\$ 4,940,954	\$ 282,058	\$ 3,207,230	\$ -	\$ 941,725	\$ 509,941	\$ -
Federal Farm Credit Bank	249,950	-	-	-	249,950	-	-
Corporate bonds	250,307	-	-	-	250,307	-	-
U.S. Treasury	179,163	-	-	179,163	-	-	-
Negotiable certificates of deposit	1,401,149	-	-	-	1,401,149	-	-
Wisconsin local government investment pool	103,329	-	-	-	-	-	103,329
Totals	<u>\$ 7,124,852</u>	<u>\$ 282,058</u>	<u>\$ 3,207,230</u>	<u>\$ 179,163</u>	<u>\$ 2,843,131</u>	<u>\$ 509,941</u>	<u>\$ 103,329</u>
December 31, 2018							
State and municipal bonds	\$ 4,883,352	\$ 309,066	\$ 3,147,692	\$ -	\$ 930,000	\$ 496,594	\$ -
Federal Farm Credit Bank	242,070	-	-	-	242,070	-	-
Corporate bonds	248,311	-	-	-	248,311	-	-
Negotiable certificates of deposit	1,364,547	-	-	-	1,364,547	-	-
Wisconsin local government investment pool	101,052	-	-	-	-	-	101,052
Totals	<u>\$ 6,839,332</u>	<u>\$ 309,066</u>	<u>\$ 3,147,692</u>	<u>\$ -</u>	<u>\$ 2,784,928</u>	<u>\$ 496,594</u>	<u>\$ 101,052</u>

Water Utility

City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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 2019 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, 2019	December 31, 2018
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	460,000
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	890,000	885,000

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 2019 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, 2019 AND 2018

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
December 31, 2019					
<u>Debt Reserve Fund Investments</u>					
State and municipal bonds	\$ 4,940,954	\$ 1,348,605	\$ -	\$ 3,592,349	\$ -
Federal Farm Credit Bank	249,950	-	249,950	-	-
Corporate bonds	250,307	-	-	250,307	-
U.S. Treasury	179,163	-	179,163	-	-
Negotiable certificates of deposit	511,149	-	-	511,149	-
Total Debt Reserve Fund	6,131,523	1,348,605	429,113	4,353,805	-
<u>Investments other than Debt Reserve</u>					
Wisconsin local government investment pool	103,329	103,329	-	-	-
Negotiable certificates of deposit	890,000	890,000	-	-	-
Total Investments other than Debt Reserve	993,329	993,329	-	-	-
Total Investments	\$ 7,124,852	\$ 2,341,934	\$ 429,113	\$ 4,353,805	\$ -
December 31, 2018					
<u>Debt Reserve Fund Investments</u>					
State and Local agency securities	\$ 4,883,352	\$ -	\$ 1,348,499	\$ 1,660,000	\$ 1,874,853
Federal Farm Credit Bank	242,070	-	-	242,070	-
Corporate bonds	248,311	-	-	-	248,311
Negotiable certificates of deposit	479,547	-	-	-	479,547
Total Debt Reserve Fund	5,853,280	-	1,348,499	1,902,070	2,602,711
<u>Investments other than Debt Reserve</u>					
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

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

On December 31, 2019 and 2018, 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 \$103,329 and \$101,052 as of December 31, 2019 and 2018 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, 2019 and 2018 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

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securities to the top two ratings assigned by 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 2019 and 2006 series revenue bond documents. This minimum amount was \$5,592,475 as of December 31, 2019 and \$5,423,400 as of December 31, 2018. The debt reserve fund account had cash and investments available of \$6,164,544 and \$5,905,111 at December 31, 2019 and 2018 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, 2019 and 2018 were \$935,216 and \$887,241 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, 2019 was as follows:

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	Beginning Balance	Increases	Decreases	Ending Balance
December 31, 2019				
Capital assets, not being depreciated:				
Land	\$ 524,689	\$ -	\$ -	\$ 524,689
Construction in progress	47,639	94,936	37,422	105,153
Total capital assets, not being depreciated	572,328	94,936	37,422	629,842
Capital assets, being depreciated:				
Buildings and improvements	24,551,814	24,997	119,147	24,457,664
Machinery and equipment	35,888,829	388,528	1,654,839	34,622,518
Improvements other than buildings	167,185,922	6,466,349	457,954	173,194,317
Subtotals	227,626,565	6,879,874	2,231,940	232,274,499
Less accumulated depreciation for:				
Buildings and improvements	16,324,362	776,518	119,147	16,981,733
Machinery and equipment	24,092,460	1,704,676	1,026,824	24,770,312
Improvements other than buildings	44,765,309	3,266,386	457,953	47,573,742
Subtotals	85,182,131	5,747,580	1,603,924	89,325,787
Total capital assets, being depreciated, net	142,444,434	1,132,294	628,016	142,948,712
Total capital assets, net	<u>\$ 143,016,762</u>	<u>\$ 1,227,230</u>	<u>\$ 665,438</u>	<u>\$ 143,578,554</u>
Reconciliation of 2019 increases in accumulated depreciation:				
Depreciation expense on schedule of operating expenses		\$ 5,228,702		
Depreciation allocated to other accounts		255,981		
Total depreciation expense		5,484,683		
Salvage value received on capital assets retired		262,897		
Total additions in accumulated depreciation		<u>\$ 5,747,580</u>		
December 31, 2018				
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>		

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D. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Utility for the year ended December 31, 2019 and 2018:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
December 31, 2019					
Revenue bonds	\$ 51,305,000	\$ 18,705,000	\$ 25,765,000	\$ 44,245,000	\$ 3,705,000
Debt premium	506,133	3,890,350	193,038	4,203,445	-
Compensated absences	490,874	522,934	574,439	439,369	251,152
Net pension liability	-	910,735	-	910,735	-
Long-term obligations	<u>\$ 52,302,007</u>	<u>\$ 24,029,019</u>	<u>\$ 26,532,477</u>	<u>\$ 49,798,549</u>	<u>\$ 3,956,152</u>
December 31, 2018					
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
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>

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, 2019 and 2018, the outstanding balances of the bonds defeased were \$34,960,000 and \$37,285,000 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, 2019 and 2018, the outstanding balances of the bonds defeased were \$14,530,000.

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Current Refunding

During 2019, the Utility currently refunded the remainder of the revenue bond issue from 2006. The Utility issued \$18,705,000 of revenue bonds to call the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next ten years by \$2,897,023 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$2,387,120.

Revenue Bonds

Revenue bonds outstanding on December 31, 2019 and 2018 totaled \$44,245,000 and \$51,305,000 respectively and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19	Balance 12/31/18
Revenue Bonds	11/1/06	11/1/29	3.50 - 5.00%	\$49,310,000	\$ -	\$ 24,705,000
Revenue Bonds	10/14/14	11/1/29	2.00 - 3.50%	14,055,000	10,360,000	11,135,000
Revenue Bonds	10/17/17	11/1/24	1.47 - 2.56%	15,730,000	15,180,000	15,465,000
Revenue Bonds	8/5/19	11/1/29	4.00 - 5.00%	18,705,000	18,705,000	-
Total outstanding general obligation debt					<u>\$44,245,000</u>	<u>\$ 51,305,000</u>

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

Year Ended December 31,	Principal	Interest	Total
2020	\$ 3,705,000	\$ 1,686,707	\$ 5,391,707
2021	3,775,000	1,420,186	5,195,186
2022	3,855,000	1,336,933	5,191,933
2023	3,945,000	1,246,088	5,191,088
2024	4,045,000	1,146,927	5,191,927
2025 - 2029	24,920,000	3,551,625	28,471,625
	<u>\$ 44,245,000</u>	<u>\$ 10,388,466</u>	<u>\$ 54,633,466</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

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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 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:

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<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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
2018	2.4	17

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 remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ending December 31, 2019, the WRS recognized \$277,410 in contributions from the Utility.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives & elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the Utility reported a liability of \$910,735 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net pension liability was based on the Utility's share of contributions to

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the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Utility's proportion was .58669892%, which was an increase of .0225477% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Utility recognized pension expense of \$613,626.

At December 31, 2019, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 709,323	\$ 1,253,831
Net differences between projected and actual earnings on pension plan investments	1,330,066	-
Changes in assumptions	153,517	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	839	9,100
Employer contributions subsequent to the measurement date	277,410	-
Total	<u>\$ 2,471,155</u>	<u>\$ 1,262,931</u>

The \$277,410 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 liability in the year ended December 31, 2020. 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 December 31,	Net Deferred Outflow of Resources
2020	\$ 337,147
2021	82,473
2022	147,892
2023	363,304
Total	<u>\$ 930,816</u>

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NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

5. Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2017
Measurement date of net pension liability (asset):	December 31, 2018
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.0%
Discount rate:	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 using experience from 2015 - 2018. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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:

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	Current Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global equities	49%	8.1%	5.5%
Fixed income	24.5%	4.0%	1.5%
Inflation sensitive assets	15.5%	3.8%	1.3%
Real estate	9%	6.5%	3.9%
Private equity/debt	8%	9.4%	6.7%
Multi-asset	4%	6.7%	4.1%
Total Core Fund	110%	7.3%	4.7%
<u>Variable Fund Asset Class</u>			
U.S. equities	70%	7.6%	5.0%
International equities	30%	8.5%	5.9%
Total Variable Fund	100%	8.0%	5.4%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

Single Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at 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 municipal bond 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 liability to changes in the discount rate. The following presents the Utility's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Utility's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

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	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Utility's proportionate share of the net pension liability (asset)	\$ 3,619,355	\$ 910,735	\$ (1,103,335)

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, 2019 and 2018, the Utility reported no outstanding amount of contributions to the pension plan for the year ended December 31, 2019 and 2018.

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.

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

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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 \$1,025,400 at December 31, 2019 and \$1,134,533 at December 31, 2018 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 2019 and 2018 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2019	\$ 1,134,533	\$ 118,652	\$ 227,785	\$ 1,025,400
2018	1,040,670	1,512,546	1,418,683	1,134,533

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. The program is supplemented by stop loss protection, which limits the Utility's and City's annual liability. The 2019 and 2018 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 \$1,556,210 on December 31, 2019 and \$2,147,466 on December 31, 2018. Claims liabilities of \$554,243 at December 31, 2019 and \$534,697 at December 31, 2018 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

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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 2019 and 2018 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2019	\$ 534,697	\$ 14,640,621	\$ 14,621,075	\$ 554,243
2018	541,706	14,037,911	14,044,920	534,697

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 \$1,641,646 at December 31, 2019 and \$1,251,348 at December 31, 2018 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 2019 and 2018 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2019	\$ 1,251,348	\$ 1,367,209	\$ 976,911	\$ 1,641,646
2018	1,211,348	708,549	668,549	1,251,348

B. PRIOR PERIOD ADJUSTMENT

The Utility recorded a prior period adjustment that resulted in an increase in net position and accounts receivable of \$1,872,088 as of December 31, 2017. The increase was due to an adjustment to accounts receivable for services provided but not billed as of year end.

Water Utility

City of Green Bay, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

C. UPCOMING ACCOUNTING PROUNOUNCEMENTS

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 fiscal years beginning after June 15, 2021. The Utility is currently evaluating the impact this standard will have on the financial statements when adopted.

D. SUBSEQUENT EVENT

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. Specific to the Utility, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, a potential impact on cash flows, costs for emergency preparedness and potential impacts on personnel. Management believes the Utility is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

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REQUIRED SUPPLEMENTARY INFORMATION

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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 Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension 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%
12/31/18	0.58669892%	910,735	4,056,940	22.45%	96.45%

Schedule of Contributions Wisconsin Retirement System Last 10 Fiscal Years

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered 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%
12/31/19	277,410	277,410	-	4,235,244	6.55%

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.

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SUPPLEMENTARY FINANCIAL INFORMATION

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WATER UTILITY

City of Green Bay, Wisconsin
Operating Revenues and Expenses
For Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services		
Residential	\$ 7,013,327	\$ 6,414,239
Commercial	3,677,571	3,403,825
Industrial	5,219,982	4,820,093
Public authority	443,568	503,235
Wholesale	3,434,908	3,251,388
Private fire protection	140,085	136,171
Public fire protection	1,340,187	1,621,169
Total charges for services	<u>21,269,628</u>	<u>20,150,120</u>
Other revenues		
Forfeited discounts	152,709	132,069
Sewer and Storm water collection	1,113,612	1,107,529
Other water revenues	278,140	281,558
Total other revenues	<u>1,544,461</u>	<u>1,521,156</u>
 Total Operating Revenues	 <u>22,814,089</u>	 <u>21,671,276</u>
OPERATING EXPENSES		
Plant operation and maintenance		
Source of supply	50,419	69,896
Pumping	1,273,185	1,300,382
Water treatment	2,019,678	1,222,482
Transmission and distribution	2,052,215	1,974,838
Maintenance	649,173	714,895
Meter	150,204	200,932
Customer installation	90,518	102,821
Customer records and collecting	818,163	802,270
Meter reading	28,213	15,534
Administrative and general	3,247,380	2,986,706
 Total Plant Operation and Maintenance	 <u>10,379,148</u>	 <u>9,390,756</u>
Depreciation	5,228,702	5,253,175
Taxes	2,394,972	2,353,288
Total Operating Expenses	<u>18,002,822</u>	<u>16,997,219</u>
 Operating income	 <u><u>\$ 4,811,267</u></u>	 <u><u>\$ 4,674,057</u></u>

WATER UTILITY

City of Green Bay, Wisconsin

Schedule of Operating Expenses by Function and Object

Year Ended December 31, 2019

Operating Expense Function:	Total	Labor Salaries and Fringe Benefits	Professional Services
Source of Supply expense			
Purchased water	\$ 4,466	\$ -	\$ -
Maintenance of supply mains	45,953	13,626	-
Total source of supply expense	50,419	13,626	-
Pumping expense			
Electric power purchased	700,620	-	-
Labor and expense	83,013	83,013	-
Supplies and expense	85,224	3,287	-
Maintenance of structures	135,777	94,955	-
Maintenance of equipment	154,409	64,687	-
Operation supervision	114,142	114,142	-
Total pumping expense	1,273,185	360,084	-
Water treatment expense			
Operation supervision	95,429	95,429	-
Labor and expense	649,398	354,747	-
Chemicals	300,998	-	-
Maintenance of structures	27,300	24,293	-
Maintenance of equipment	946,553	111,594	-
Total water treatment expense	2,019,678	586,063	-
Transmission and distribution expense			
Supervision and engineering	214,057	214,057	-
Labor and expense	682,224	370,577	-
Maintenance of mains	1,155,934	370,189	-
Total transmission and distribution expense	2,052,215	954,823	-
Maintenance expense			
Tanks and reservoirs	12,118	8,316	-
Services	262,042	181,648	-
Meters	95,054	70,321	-
Hydrants	154,469	89,537	-
Buildings	125,490	25,979	-
Total maintenance expense	649,173	375,801	-
Meter expense	150,204	135,080	-
Customers' installation expense	90,518	66,890	-
Customer records and collecting expense	818,163	389,268	-
Meter reading expense	28,213	18,047	-
Depreciation	5,228,702	-	-
Administrative and general expense			
Employee benefits	1,736,878	1,736,878	-
Amortization of non-utility plant	131,453	-	-
Property tax equivalent	2,394,972	-	-
Public Service Commission remainder assessment	19,921	-	-
Insurance	140,623	-	-
Uncollectible accounts	11,804	-	-
Administrative salaries	641,424	641,424	-
Office supplies and expense	86,406	-	-
Professional and special services	315,280	-	315,280
Miscellaneous general expense	163,591	-	-
Total administrative and general expense	5,642,352	2,378,302	315,280
Total Operating Expenses	\$ 18,002,822	\$ 5,277,984	\$ 315,280

Materials, Supplies, Equipment & Other Costs	Power for Pumping	Depreciation	Insurance and Taxes
\$ 4,466	\$ -	\$ -	\$ -
32,327	-	-	-
36,793	-	-	-
-	700,620	-	-
-	-	-	-
81,937	-	-	-
40,822	-	-	-
89,722	-	-	-
-	-	-	-
212,481	700,620	-	-
-	-	-	-
294,651	-	-	-
300,998	-	-	-
3,007	-	-	-
834,959	-	-	-
1,433,615	-	-	-
-	-	-	-
311,647	-	-	-
785,745	-	-	-
1,097,392	-	-	-
3,802	-	-	-
80,394	-	-	-
24,733	-	-	-
64,932	-	-	-
99,511	-	-	-
273,372	-	-	-
15,124	-	-	-
23,628	-	-	-
428,895	-	-	-
10,166	-	-	-
-	-	5,228,702	-
-	-	-	-
131,453	-	-	-
-	-	-	2,394,972
-	-	-	19,921
-	-	-	140,623
11,804	-	-	-
-	-	-	-
86,406	-	-	-
-	-	-	-
163,591	-	-	-
393,254	-	-	2,555,516
\$ 3,924,720	\$ 700,620	\$ 5,228,702	\$ 2,555,516

WATER UTILITY
City of Green Bay, Wisconsin
Capital Assets
Year Ended December 31, 2019

Capital Assets Description:	Balance 1/1/19	2019 Additions	2019 Disposals	Balance 12/31/19
General Green Bay Plant				
Land	\$ 264,966	\$ -	\$ -	\$ 264,966
Pumping plant structures	3,545,931	-	(57,059)	3,488,872
Reservoirs and standpipes	4,484,500	-	-	4,484,500
Wells	719,543	15,567	(28,895)	706,215
Stores, shop, garage and office building	2,545,434	3,570	(7,045)	2,541,959
Water treatment structures	2,835			2,835
Supply mains	4,922,031	1,326	(66)	4,923,291
Distribution mains	75,760,161	3,548,480	(115,086)	79,193,555
Services	18,712,467	2,030,749	(38,908)	20,704,308
Meters	8,217,953	454,043	(208,745)	8,463,251
Hydrants	8,322,157	416,184	(66,253)	8,672,088
Water treatment equipment:				
Chlorination	185,467		(30,983)	154,484
Telemetry equip - SCADA	190,736			190,736
Electric pumping equipment	1,431,757		(5,083)	1,426,674
Power production equipment	237,309			237,309
Power operated equipment	657,410			657,410
Tools, shop, and garage equipment	1,211,495	49,666	(155,746)	1,105,415
Stores equipment	40,650		(15,693)	24,957
Transportation equipment	2,361,059	191,762	(125,905)	2,426,916
Communication equipment	58,035			58,035
Office furniture & equipment	199,663	8,544		208,207
Office computers	3,537,872	116,048	(16,422)	3,637,498
	<u>137,609,431</u>	<u>6,835,939</u>	<u>(871,889)</u>	<u>143,573,481</u>
Lake Michigan Supply System				
Land	259,723	-	-	259,723
Pumping plant structures	2,997,629	15,313	(31,165)	2,981,777
Reservoirs and standpipes	97,448	-	-	97,448
Water treatment structures	15,459,985	6,114	(23,878)	15,442,221
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	-	(23,624)	3,759,943
Water treatment equipment:				
Filtration	18,350,960	7,989	(631,437)	17,727,512
Chlorination	345,846	2,468	(3,324)	344,990
Telemetry equip - SCADA	1,247,123	-	(618,755)	628,368
Tools and work equipment	43,337	-	(2,257)	41,080
Laboratory equipment	41,977	10,200	(16,893)	35,284
Communication equipment	321,656	-	-	321,656
Office furniture & equipment	11,783	-	(4,472)	7,311
Office computers	18,812	1,851	(4,246)	16,417
Power production equipment	1,612,314	-	-	1,612,314
	<u>90,541,823</u>	<u>43,935</u>	<u>(1,360,051)</u>	<u>89,225,707</u>
Construction in Progress	<u>47,639</u>	<u>94,936</u>	<u>(37,422)</u>	<u>105,153</u>
Total	<u>\$ 228,198,893</u>	<u>\$ 6,974,810</u>	<u>\$ (2,269,362)</u>	<u>\$ 232,904,341</u>

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WATER UTILITY

City of Green Bay, Wisconsin

Accumulated Depreciation
Year Ended December 31, 2019

Capital Assets Description:	Depreciation Rate	Accumulated Depreciation 1/1/19	2019 Depreciation
General Green Bay Plant			
Land	---	\$ -	\$ -
Pumping plant structures	3.2%	2,582,343	112,556
Reservoirs and standpipes	1.9%	2,328,217	85,206
Wells	2.9%	583,996	20,673
Stores, shop, garage and office building	2.9%	1,638,734	73,767
Water treatment structures	3.2%	2,835	-
Supply mains	1.8%	2,119,480	88,608
Distribution mains	1.3%	13,476,978	1,007,199
Services	2.9%	7,682,219	571,543
Meters	5.5%	2,754,105	458,733
Hydrants	2.2%	2,398,444	186,937
Water treatment equipment - chlorination	6.0%	185,467	-
Telemetry equipment - SCADA	9.2%	190,736	-
Electric pumping equipment	4.4%	1,277,788	62,885
Power production equipment	4.4%	36,645	10,442
Power operated equipment	7.5%	567,664	49,306
Tools, shop, and garage equipment	5.8%	1,011,691	69,638
Stores equipment	5.8%	40,650	-
Transportation equipment	13.3%	2,361,059	137,038
Communication equipment	15.0%	58,035	-
Office furniture & equipment	5.8%	85,931	12,382
Office computers	26.7%	3,537,872	116,047
		<u>44,920,889</u>	<u>3,062,960</u>
Lake Michigan Supply System			
Land	---	-	-
Pumping plant structures	3.2%	1,956,553	95,670
Reservoirs and standpipes	1.9%	85,434	1,852
Water treatment structures	3.2%	10,143,895	494,527
Lake intakes	1.7%	945,217	26,167
Supply mains	1.8%	12,071,473	787,759
Transmission mains	1.3%	319,747	8,399
Electric pumping equipment	4.4%	1,893,705	165,957
Water treatment equipment			
Filtration	3.3%	9,622,716	584,931
Chlorination	6.0%	296,656	30,924
Telemetry equipment - SCADA	9.2%	1,111,073	103,821
Tools and work equipment	5.8%	43,337	-
Laboratory equipment	5.8%	35,234	2,241
Communication equipment	15.0%	274,974	46,682
Office furniture & equipment	5.8%	11,783	-
Office computers	26.7%	18,812	1,851
Power production equipment	4.4%	1,430,633	70,942
		<u>40,261,242</u>	<u>2,421,723</u>
Total		<u>\$ 85,182,131</u>	<u>\$ 5,484,683</u>

2019 Salvage Proceeds	2019 Retirements	Accumulated Depreciation 12/31/19	Asset Cost 12/31/19	Net Book Value 12/31/19
\$ -	\$ -	\$ -	\$ 264,966	\$ 264,966
-	(57,059)	2,637,840	3,488,872	851,032
-	-	2,413,423	4,484,500	2,071,077
-	(28,895)	575,774	706,215	130,441
-	(7,045)	1,705,456	2,541,959	836,503
-	-	2,835	2,835	-
-	(66)	2,208,022	4,923,291	2,715,269
-	(115,086)	14,369,091	79,193,555	64,824,464
1,232	(38,908)	8,216,086	20,704,308	12,488,222
5,187	(208,745)	3,009,280	8,463,251	5,453,971
16,890	(66,253)	2,536,018	8,672,088	6,136,070
-	(30,983)	154,484	154,484	-
-	-	190,736	190,736	-
-	(5,083)	1,335,590	1,426,674	91,084
-	-	47,087	237,309	190,222
-	-	616,970	657,410	40,440
32,226	(155,746)	957,809	1,105,415	147,606
-	(15,693)	24,957	24,957	-
54,724	(125,905)	2,426,916	2,426,916	-
-	-	58,035	58,035	-
76	-	98,389	208,207	109,818
-	(16,421)	3,637,498	3,637,498	-
110,335	(871,888)	47,222,296	143,573,481	96,351,185
-	-	-	259,723	259,723
-	(31,165)	2,021,058	2,981,777	960,719
-	-	87,286	97,448	10,162
-	(23,878)	10,614,544	15,442,221	4,827,677
-	-	971,384	1,539,207	567,823
-	-	12,859,232	43,764,408	30,905,176
-	-	328,146	646,048	317,902
-	(23,624)	2,036,038	3,759,943	1,723,905
152,562	(3,422)	10,356,787	17,727,512	7,370,725
-	(3,324)	324,256	344,990	20,734
-	(618,755)	596,139	628,368	32,229
-	(2,257)	41,080	41,080	-
-	(16,893)	20,582	35,284	14,702
-	-	321,656	321,656	-
-	(4,472)	7,311	7,311	-
-	(4,246)	16,417	16,417	-
-	-	1,501,575	1,612,314	110,739
152,562	(732,036)	42,103,491	89,225,707	47,122,216
\$ 262,897	\$ (1,603,924)	\$ 89,325,787	\$ 232,799,188	\$ 143,473,401

WATER UTILITY

City of Green Bay, Wisconsin
Bond Interest and Redemption Requirements
Waterworks Mortgage Revenue Bonds Series 2014
Year Ended December 31, 2019

Year	Balance Outstanding January 1	Principal Requirements	Interest Rate	Interest Requirements	Total Annual Requirements
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, 2019

Year	Balance Outstanding January 1	Principal Requirements	Interest Rate	Interest Requirements	Total Annual Requirements
2020	\$ 15,180,000	\$ 2,920,000	1.79%	\$ 332,129	\$ 3,252,129
2022	12,260,000	2,970,000	1.99%	279,861	3,249,861
2023	9,290,000	3,025,000	2.18%	220,758	3,245,758
2024	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.

WATER UTILITY

City of Green Bay, Wisconsin
Bond Interest and Redemption Requirements
Waterworks Mortgage Revenue Bonds Series 2019
Year Ended December 31, 2019

Year	Balance Outstanding January 1	Principal Requirements	Interest Rate	Interest Requirements	Total Annual Requirements
2020	\$ 18,705,000	\$ -	5.00%	\$ 1,029,702	\$ 1,029,702
2021	18,705,000	-	5.00%	831,150	831,150
2022	18,705,000	-	5.00%	831,150	831,150
2023	18,705,000	-	5.00%	831,150	831,150
2024	18,705,000	-	5.00%	831,150	831,150
2025	18,705,000	2,630,000	5.00%	831,150	3,461,150
2026	16,075,000	2,760,000	5.00%	699,650	3,459,650
2027	13,315,000	2,905,000	5.00%	561,650	3,466,650
2028	10,410,000	3,040,000	4.00%	416,400	3,456,400
2029	7,370,000	7,370,000	4.00%	294,800	7,664,800

These bonds, dated August 5, 2019, were issued for an original amount of \$18,705,000. 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 remaining bonds maturing on or after November 1, 2027, are callable at the option of the Utility, at par plus accrued interest.

STATISTICAL SECTION

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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.

<u>Contents:</u>	<u>Pages</u>
Financial Trends These schedules present trend information to help the reader understand how the Water Utility's financial performance and condition has changed over time.	54-60
Debt Capacity 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
Revenue Capacity These schedules present information to help the reader assess the Water Utility's most significant revenue source, water sales.	62-71
Demographic and Economic Information These schedules present information to help the reader understand the environment within which the Water Utility's financial activities take place.	72-73
Operating Information 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.

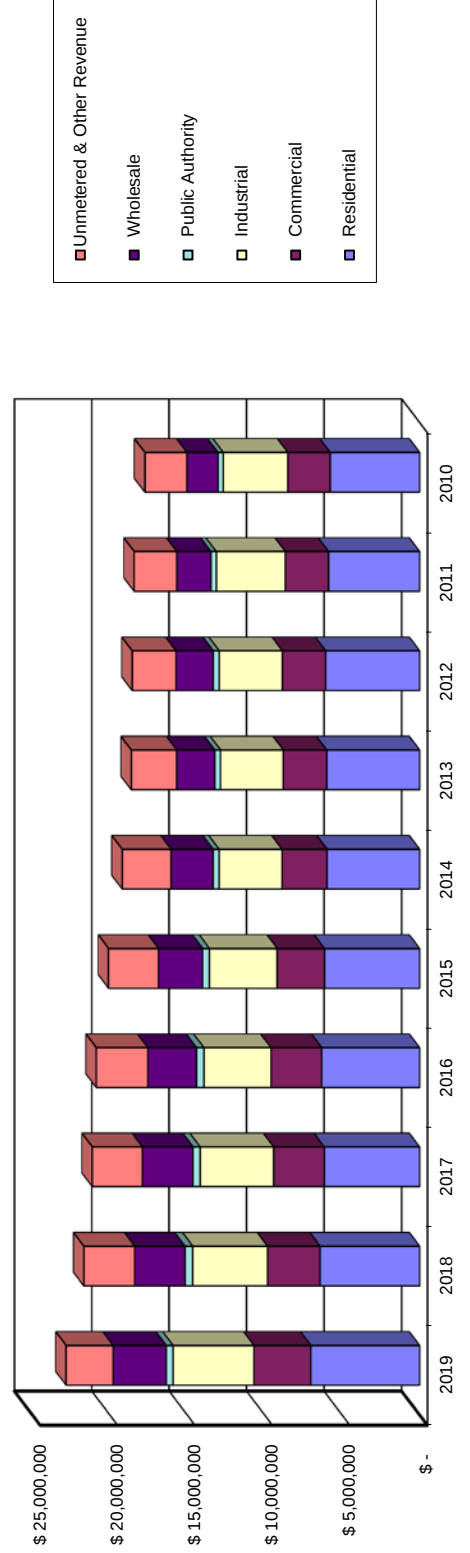
WATER UTILITY
CITY OF GREEN BAY, WISCONSIN
CHANGES IN NET POSITION - LAST TEN YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating Revenues										
Metered sales - Residential	\$ 7,013,327	\$ 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
Metered sales - Commercial	3,677,571	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
Metered sales - Industrial	5,219,982	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
Public authority sales	443,568	503,235	454,138	477,730	438,716	382,658	371,861	383,324	339,217	341,035
Metered sales - Wholesale	3,434,908	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
Private fire protection	140,085	136,171	136,032	133,439	131,784	129,493	124,329	125,895	124,427	121,067
Public fire protection	1,340,187	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
Customer late payment charges	152,709	132,069	145,078	140,112	140,257	150,780	144,360	147,978	153,069	156,303
Sewer and storm water collection revenue	1,113,612	1,107,529	1,010,436	1,136,437	1,088,069	1,097,203	979,465	983,178	919,143	924,804
Other operating revenues	278,140	281,558	283,799	262,389	211,171	224,078	204,832	195,659	187,644	180,401
Total Operating Revenues	22,814,089	21,671,276	21,120,107	20,865,460	20,070,565	19,194,354	18,603,825	18,547,182	18,417,277	17,731,512
Operating Expenses										
Source of supply expense	50,419	69,896	53,754	67,839	53,096	70,376	393,132	92,992	95,178	787,513
Pumping expense	1,273,185	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
Water treatment expense	2,019,678	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
Transmission and distribution expense	2,052,215	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
Maintenance expense	649,173	714,895	765,767	1,023,866	777,988	928,899	1,126,739	1,298,877	615,591	658,109
Meter expense	150,204	200,932	134,708	186,550	158,340	165,158	102,102	109,898	122,532	109,556
Customers' installation expense	90,518	102,821	89,500	87,456	92,064	146,836	175,258	157,842	118,392	154,532
Customer records and collecting expense	818,163	802,270	873,639	875,779	706,093	713,772	603,998	620,403	528,471	546,729
Meter reading expense	28,213	15,534	17,442	20,404	22,506	40,924	55,944	62,626	67,684	69,674
Administrative and general expense	3,247,380	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
Depreciation	5,228,702	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
Taxes	2,394,972	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
Total Operating Expenses	18,002,822	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
Operating Income	4,811,267	4,674,057	4,287,799	4,301,170	4,268,561	3,073,924	3,346,045	3,380,709	4,521,958	3,345,998
Nonoperating Revenues (Expenses)										
Interest income	607,969	275,633	222,044	181,549	177,081	239,425	287,274	294,032	309,596	326,733
Miscellaneous income	177,538	144,923	149,382	36,502	46,911	45,539	15,813	15,444	23,349	15,402
Interest expense	(1,970,057)	(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)
Amortization of debt premium	373,759	227,442	227,442	227,442	227,442	152,016	136,930	136,930	136,930	136,930
Amortization of debt discount and other assets	(375,717)	(385,645)	(180,723)	(180,722)	(259,780)	(263,756)	(261,387)	(261,387)	(295,684)	(295,684)
Total Nonoperating Revenues (Expenses)	(1,186,508)	(1,431,480)	(1,922,021)	(2,056,221)	(2,232,883)	(2,664,905)	(2,805,463)	(2,906,512)	(3,024,381)	(3,114,891)
Excess before contributions	3,624,759	3,242,577	2,365,778	2,244,949	2,035,678	409,019	540,582	474,197	1,497,577	231,107
Capital contributions	1,325,622	782,979	638,822	434,274	15,742	252,240	46,872	50,145	155,887	22,975
Cumulative effect of change in accounting principle	-	-	-	-	1,181,454	-	-	(448,970)	-	-
Change in Net Position	\$ 4,950,381	\$ 4,025,556	\$ 3,004,600	\$ 2,679,223	\$ 3,232,874	\$ 661,259	\$ 587,454	\$ 75,372	\$ 1,653,464	\$ 254,082

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

OPERATING REVENUES BY SOURCE - LAST TEN YEARS

<u>Operating Revenue:</u>	<u>2019</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>
Metered Sales:										
Residential	\$ 7,013,327	\$ 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
Commercial	3,677,571	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
Industrial	5,219,982	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
Public Authority	443,568	503,235	454,138	477,730	438,716	382,658	371,861	383,324	339,217	341,035
Wholesale	3,434,908	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
Total Metered Sales	19,789,356	18,392,780	17,896,136	17,545,693	16,850,387	16,040,380	15,678,293	15,732,778	15,673,753	15,025,569
Private Fire Protection	140,085	136,171	136,032	133,439	131,784	129,493	124,329	125,895	124,427	121,067
Public Fire Protection	1,340,187	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
Customer Late Payment Charges	152,709	132,069	145,078	140,112	140,257	150,780	144,360	147,978	153,069	156,303
Sewer/stormwater Collection Revenue	1,113,612	1,107,529	1,010,436	1,136,437	1,088,069	1,097,203	979,465	983,178	919,143	924,804
Other Operating Revenues	278,140	281,558	283,799	262,389	211,171	224,078	204,832	195,659	187,644	180,401
Total Operating Revenue	\$ 22,814,089	\$ 21,671,276	\$ 21,120,107	\$ 20,865,460	\$ 20,070,565	\$ 19,194,354	\$ 18,603,825	\$ 18,547,182	\$ 18,417,277	\$ 17,731,512

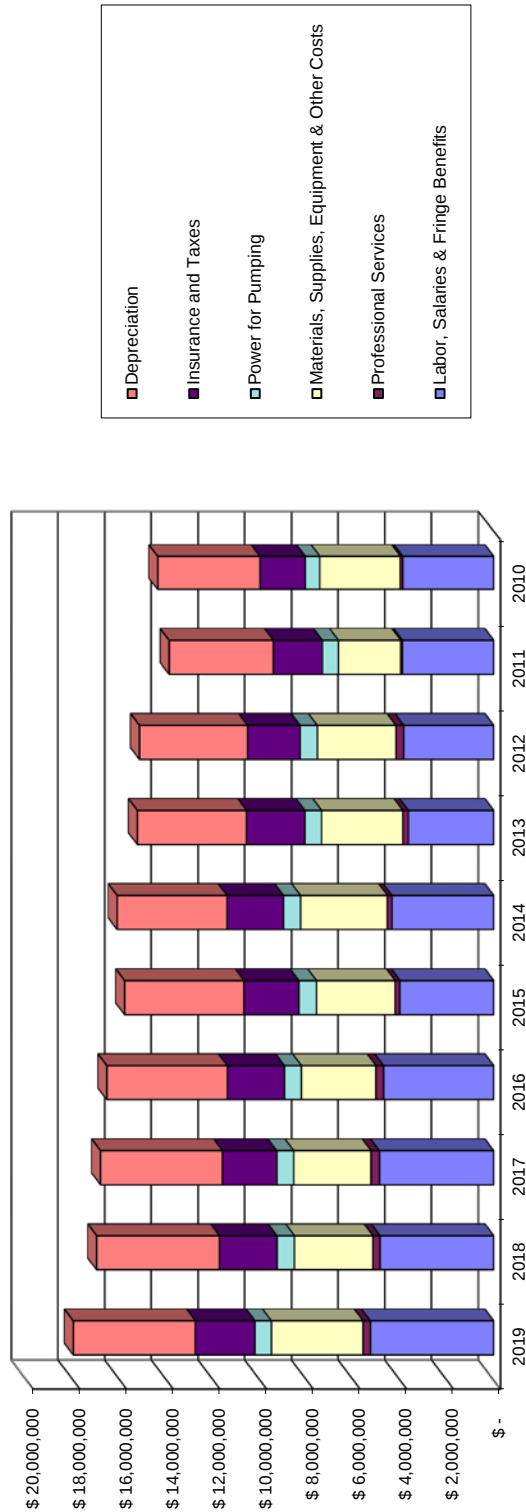


**WATER UTILITY
CITY OF GREEN BAY, WISCONSIN**

OPERATING EXPENSES BY OBJECT - LAST TEN YEARS

Operating Expense Object:	<u>2019</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>
Labor, Salaries and Fringe Benefits	\$ 5,277,984	\$ 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
Professional Services	315,280	309,726	363,553	330,185	208,279	193,794	238,453	342,539	77,703	106,874
Materials, Supplies, Equipment and Other Costs (1)	3,924,720	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
Power for Pumping	700,620	747,983	725,704	724,700	756,644	727,674	717,700	734,040	692,057	623,122
Insurance and Taxes	2,555,516	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
Operating Expenses before Depreciation	12,774,120	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
Depreciation	5,228,702	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
Total Operating Expenses	\$ 18,002,822	\$ 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

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



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

NONOPERATING REVENUES AND EXPENSES - LAST TEN YEARS

	<u>2019</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>
Interest income	\$607,969	\$275,633	\$222,044	\$181,549	\$177,081	\$239,425	\$287,274	\$294,032	\$309,596	\$326,733
Miscellaneous income	177,538	144,923	149,382	36,502	46,911	45,539	15,813	15,444	23,349	15,402
Interest expense	(1,970,057)	(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)
Amortization of debt premium	373,759	227,442	227,442	227,442	227,442	152,016	136,930	136,930	136,930	136,930
Amortization of debt discount and other assets	(375,717)	(385,645)	(180,723)	(180,722)	(259,780)	(263,756)	(261,387)	(261,387)	(295,684)	(295,684)
Total Nonoperating Revenues and (Expenses)	<u>(\$1,186,508)</u>	<u>(\$1,431,480)</u>	<u>(\$1,922,021)</u>	<u>(\$2,056,221)</u>	<u>(\$2,232,883)</u>	<u>(\$2,664,905)</u>	<u>(\$2,805,463)</u>	<u>(\$2,906,512)</u>	<u>(\$3,024,381)</u>	<u>(\$3,114,891)</u>

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

CAPITAL CONTRIBUTIONS BY SOURCE - LAST TEN YEARS

	<u>2019</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>
Special assessments billed on water mains installed	\$ 476,022	\$ -	\$ -	\$ 62,236	\$ -	\$ 91,911	\$ 28,638	\$ 6,713	\$ 178	\$ -
Special assessments billed on water laterals installed	76,500	-	-	7,056	15,742	70,848	18,234	38,241	43,763	13,300
Total special assessments billed	552,522	-	-	69,292	15,742	162,759	46,872	44,954	43,941	13,300
Developers' contributions of new subdivision mains & laterals	773,100	782,979	638,822	364,982	-	89,481	-	5,191	111,946	9,675
Total capital contributions billed	\$ 1,325,622	\$ 782,979	\$ 638,822	\$ 434,274	\$ 15,742	\$ 252,240	\$ 46,872	\$ 50,145	\$ 155,887	\$ 22,975
Total capital contributions collected	\$ 1,325,622	\$ 782,979	\$ 638,822	\$ 434,274	\$ 15,742	\$ 252,240	\$ 46,872	\$ 50,145	\$ 155,887	\$ 22,975

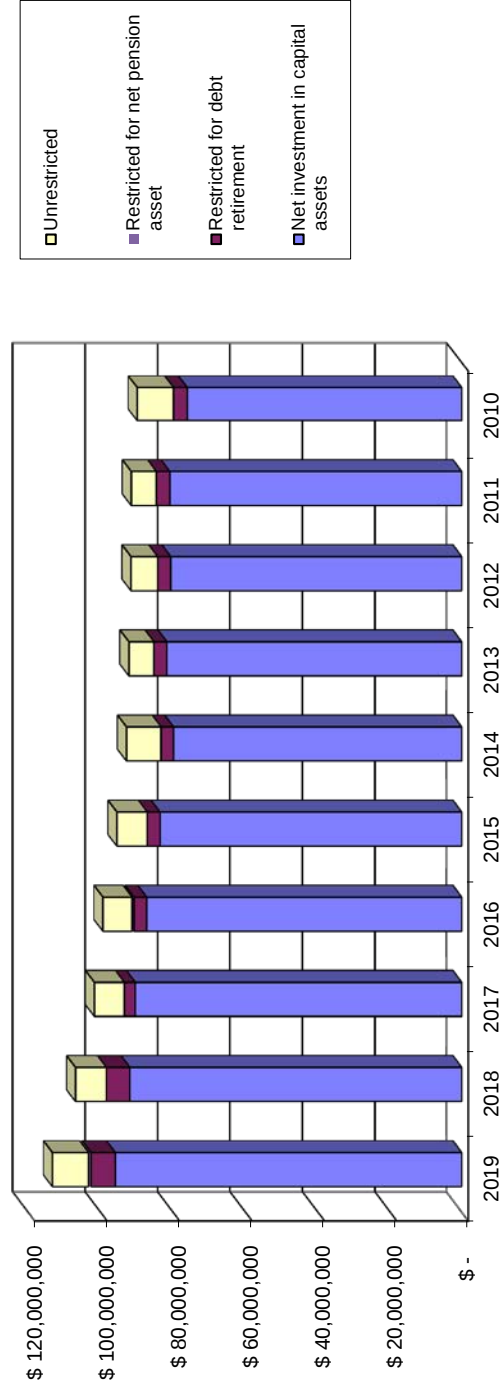
Note: Total special assessments billed consists mainly of special assessments installments placed on the City's tax roll.
The City reimburses the Water Utility within 30 days of being invoiced by the Utility and then records the assessments on the City's financial statements as a receivable.

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

NET POSITION BY COMPONENT - LAST TEN YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net investment in capital assets	\$ 95,922,773	\$ 91,883,099	\$ 90,401,893	\$ 87,255,877	\$ 83,599,544	\$ 79,864,867	\$ 81,704,282	\$ 80,606,564	\$ 80,871,378	\$ 76,060,280
Restricted for debt retirement	6,697,747	6,529,150	3,049,249	3,500,834	3,524,289	3,440,245	3,571,906	3,658,193	3,741,358	3,820,935
Restricted for lead service replacement	39,356	36,485	56,252	5,998	-	-	-	-	-	-
Restricted for net pension asset	-	718,059	-	-	585,000	-	-	-	-	-
Unrestricted	9,936,405	8,479,107	8,240,862	7,980,947	8,355,600	9,526,447	6,894,112	7,318,089	6,894,738	9,972,795
Total Net Position	\$ 112,596,281	\$ 107,645,900	\$ 101,748,256	\$ 98,743,656	\$ 96,064,433	\$ 92,831,559	\$ 92,170,300	\$ 91,582,846	\$ 91,507,474	\$ 89,854,010

Net Position by Component



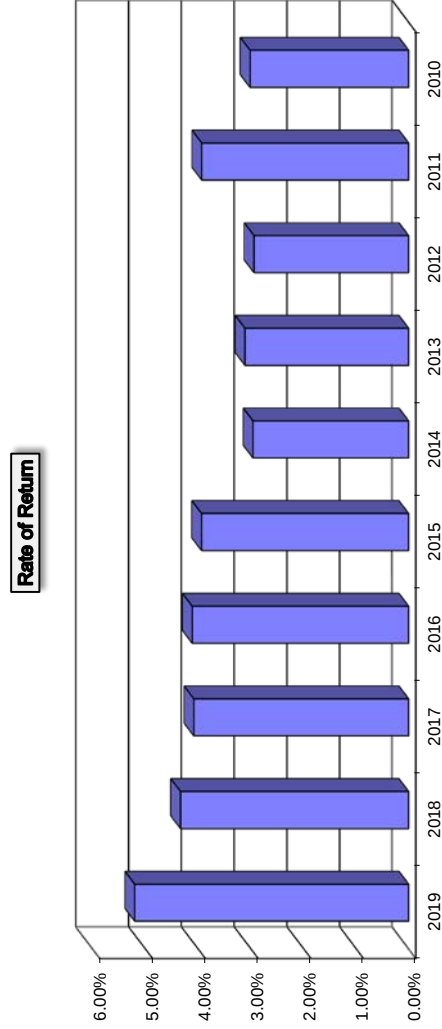
**WATER UTILITY
CITY OF GREEN BAY, WISCONSIN**

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

	<u>2019</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>
Utility plant in service - average	\$ 203,554,124	\$ 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
Less: Accum deprec - average	79,398,523	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
Plus: Materials & supplies - average	522,481	520,809	476,039	474,328	485,932	470,320	430,643	407,089	427,543	414,375
Less: Regulatory liability - average (2)	906,041	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
Average Net Rate Base	\$ 123,772,041	\$ 123,699,549	\$ 122,829,820	\$ 122,003,979	\$ 120,854,268	\$ 121,028,131	\$ 122,421,833	\$ 123,519,066	\$ 122,642,178	\$ 119,295,491
Operating Income (1)	\$ 6,439,163	\$ 5,362,947	\$ 5,014,153	\$ 5,018,208	\$ 4,756,089	\$ 3,585,329	\$ 3,812,089	\$ 3,634,999	\$ 4,823,217	\$ 3,600,858
Actual Rate of Return	5.20%	4.34%	4.08%	4.11%	3.94%	2.96%	3.11%	2.94%	3.93%	3.02%
PSCW Authorized Rate of Return	3.20%	3.20%	2.84%	2.84%	2.84%	2.27%	2.77%	2.52%	2.52%	3.50%

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

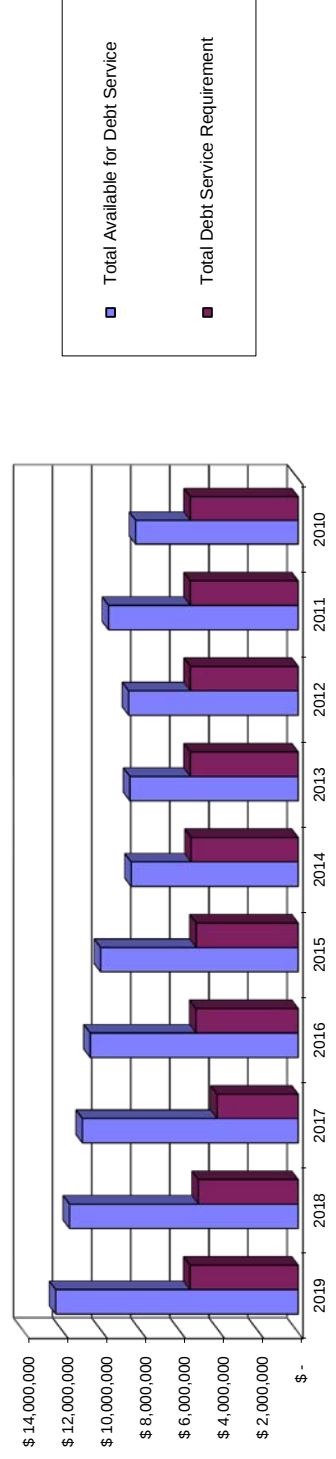
(2) - The PSCW has modified the calculation of the rate of return effective January 1, 2004 by reclassifying the pre-2003 contributions in aid of construction and additional accumulated depreciation as a regulatory liability. The PSCW has also modified the calculation of the rate of return effective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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Income (Change in Net Position)	\$ 4,811,333	\$ 4,025,556	\$ 3,004,600	\$ 2,679,223	\$ 2,051,420	\$ 661,259	\$ 587,454	\$ 524,342	\$ 1,653,464	\$ 254,082
Add Back:										
Depreciation	5,484,684	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
Amortization	133,411	289,656	84,734	84,733	163,791	243,193	255,910	255,910	290,207	290,207
Interest Expense	1,970,057	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
Total Available for Debt Service	\$ 12,399,485	\$ 11,695,162	\$ 11,036,114	\$ 10,641,096	\$ 10,107,168	\$ 8,547,900	\$ 8,609,642	\$ 8,667,869	\$ 9,701,496	\$ 8,313,696
Debt Service Requirement:										
Principal	\$ 3,560,000	\$ 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
Interest	1,970,057	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
Total Debt Service Requirement	\$ 5,530,057	\$ 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
Coverage	2.24	2.29	2.66	2.04	1.94	1.56	1.56	1.57	1.76	1.51
Debt Ratio:										
Total Liabilities	\$ 54,573,388	\$ 57,494,816	\$ 61,957,249	\$ 63,641,807	\$ 66,060,315	\$ 68,092,234	\$ 70,211,592	\$ 73,023,076	\$ 77,676,120	\$ 79,688,362
Total Assets	\$ 163,331,307	\$ 162,545,816	\$ 161,784,345	\$ 161,173,139	\$ 161,529,710	\$ 160,923,793	\$ 162,381,892	\$ 164,605,922	\$ 163,725,610	\$ 169,542,372
Debt Ratio Percentage	33.41%	35.37%	38.30%	39.49%	40.90%	42.31%	43.24%	44.36%	47.44%	47.00%
Revenue bonds outstanding at year-end ⁽¹⁾	\$ 48,157,490	\$ 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
Outstanding debt per capita	\$ 455.64	\$ 491.21	\$ 524.10	\$ 543.59	\$ 571.83	\$ 600.03	\$ 626.58	\$ 649.96	\$ 667.67	\$ 689.63
Outstanding debt per customer	\$ 1,316.75	\$ 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

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

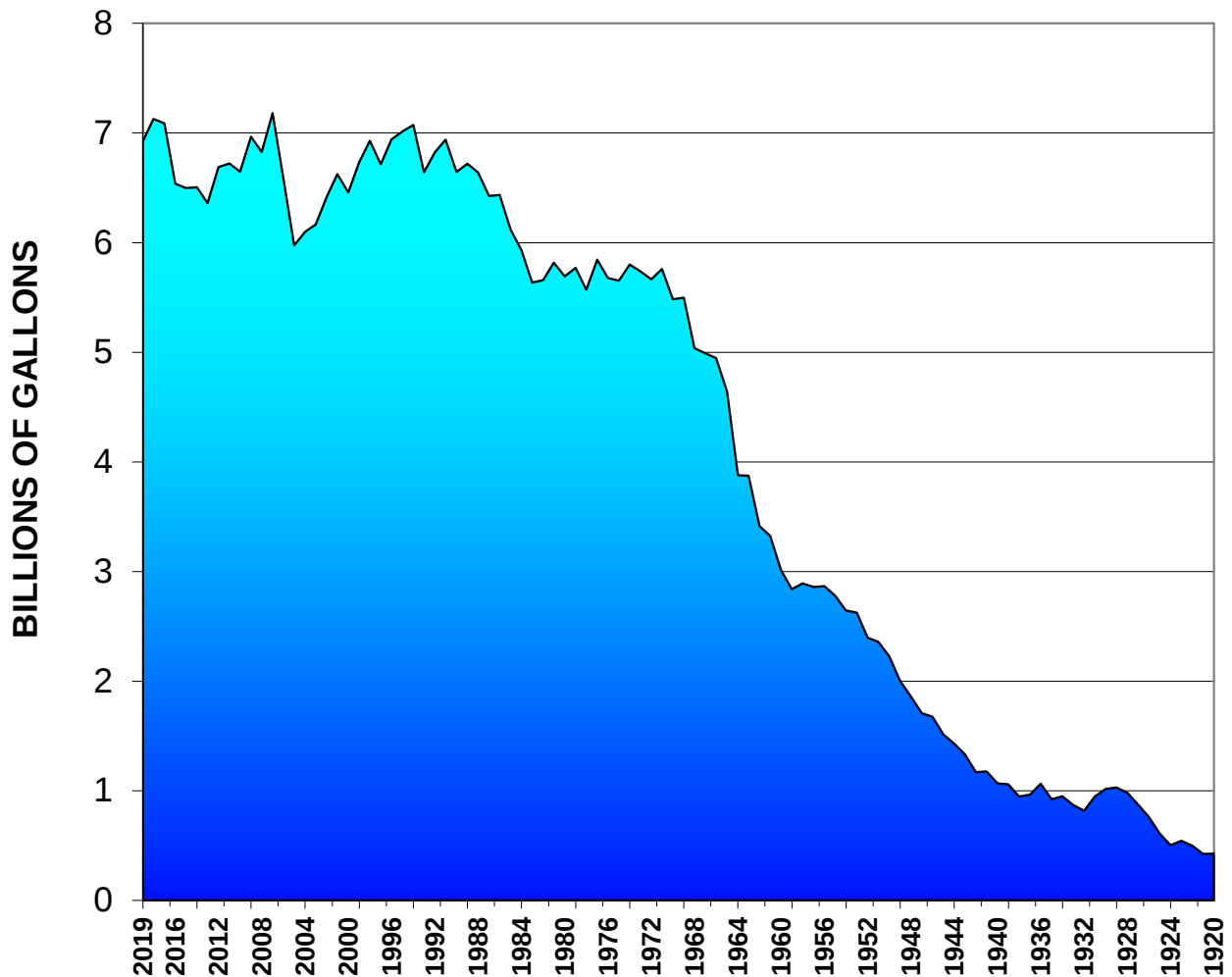


**WATER UTILITY
CITY OF GREEN BAY, WISCONSIN**

ANNUAL WATER PUMPAGE

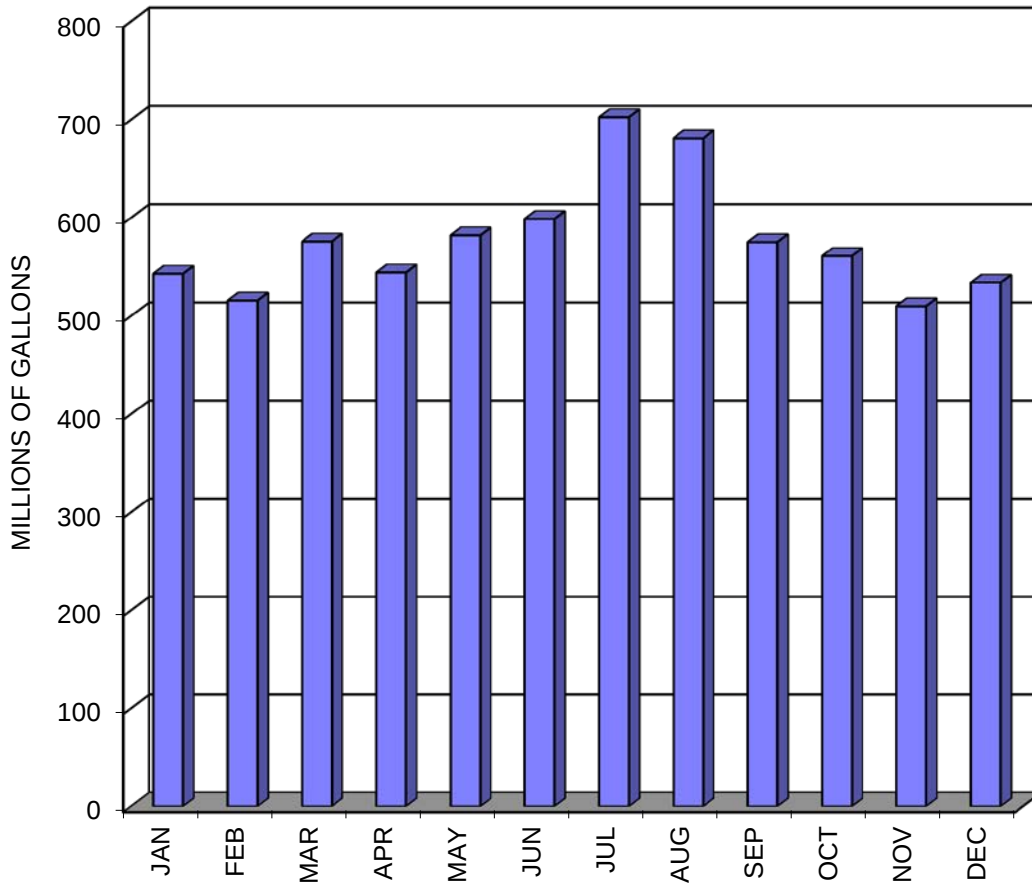
2019	6,923,550,000 gallons
2018	7,129,676,000 gallons
2017	7,088,892,000 gallons
2016	6,537,120,000 gallons
2015	6,498,045,000 gallons

**ANNUAL WATER PUMPAGE
1920 - 2019**



WATER UTILITY CITY OF GREEN BAY, WISCONSIN

MONTHLY WATER PUMPAGE 2019



2019 Pumpage - Lake Michigan-----	6,923,208,000 Gallons
- Water Purchased from Town of Scott-----	342,000 Gallons
2019 Average Daily Pumpage-----	18,967,693 Gallons
2019 Highest Daily Pumpage, July 17, 2019-----	27,742,000 Gallons
2019 Lowest Daily Pumpage, December 29, 2019-----	13,980,000 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>2019</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>
Gallons produced	6,334,438	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
Gallons sold	(5,953,277)	(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)
Gallons used for production and lost due to system leaks	(263,338)	(235,627)	(187,062)	(159,351)	(192,243)	(362,872)	(91,959)	(98,385)	(70,215)	(86,857)
Gallons produced and unaccounted for	117,823	141,939	263,497	498,367	333,127	186,989	173,871	198,715	251,294	287,180
Percent unaccounted for	1.86%	2.18%	4.04%	7.62%	5.13%	2.87%	2.73%	2.97%	3.74%	4.32%
Maximum day pumpage	27,742	29,584	26,067	27,370	27,772	24,911	25,913	28,398	26,056	25,135
Date of maximum pumpage	7/17/19	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
Minimum day pumpage	13,980	12,984	13,954	12,719	13,395	12,206	12,996	13,300	12,219	13,518
Date of minimum pumpage	12/29/19	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
Total KWH used for pumping	13,303,689	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

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

WATER RATES - LAST TEN YEARS

	<u>2019</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>Monthly Meter Charge:</u>										
5/8" & 3/4"	\$ 6.17	\$ 6.17	\$ 5.25	\$ 5.25	\$ 5.25	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
1"	9.20	9.20	7.90	7.90	7.90	7.50	7.50	7.50	7.50	7.50
1 1/2"	15.10	15.10	13.65	13.65	13.65	13.00	13.00	13.00	13.00	13.00
2"	22.80	22.80	22.10	22.10	22.10	21.00	21.00	21.00	21.00	21.00
3"	35.60	35.60	33.60	33.60	33.60	32.00	32.00	32.00	32.00	32.00
4"	52.20	52.20	52.50	52.50	52.50	50.00	50.00	50.00	50.00	50.00
6"	87.80	87.80	81.00	81.00	81.00	77.00	77.00	77.00	77.00	77.00
8"	129.80	129.80	120.00	120.00	120.00	114.00	114.00	111.00	111.00	111.00
10"	184.50	184.50	-	-	-	-	-	-	-	-
12"	239.20	239.20	-	-	-	-	-	-	-	-
Effective date of rate change	10/01/18		11/05/15							
<u>Water billing rate per 1,000 gallons:</u>										
First 25,000 gallons per month	\$ 3.46	\$ 3.46	\$ 3.03	\$ 3.03	\$ 3.03	\$ 2.91	\$ 2.75	\$ 2.61	\$ 2.61	\$ 2.61
Next 350,000 gallons per month	3.33	3.33	2.91	2.91	2.91	2.65	2.46	2.31	2.31	2.31
Usage over 375,000 gallons per month	2.42	2.42	2.21	2.21	2.21	2.07	1.90	1.75	1.75	1.75
Effective date of rate change	10/01/18		11/05/15		07/15/14	03/06/13		11/01/10		
<u>Monthly Public Fire Protection Charge:</u>										
5/8" & 3/4"	\$ 2.40	\$ 2.40	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.75	\$ 2.47	\$ 2.47	\$ 2.47
1"	6.10	6.10	7.40	7.40	7.40	7.40	6.90	6.20	6.20	6.20
1 1/2"	12.00	12.00	14.90	14.90	14.90	14.90	13.80	12.40	12.40	12.40
2"	19.00	19.00	23.80	23.80	23.80	23.80	22.10	19.80	19.80	19.80
3"	36.00	36.00	44.50	44.50	44.50	44.50	41.30	37.00	37.00	37.00
4"	61.00	61.00	74.00	74.00	74.00	74.00	68.80	62.00	62.00	62.00
6"	121.00	121.00	148.00	148.00	148.00	148.00	137.60	124.00	124.00	124.00
8"	194.00	194.00	237.00	237.00	237.00	237.00	220.10	198.00	198.00	198.00
10"	291.00	291.00	-	-	-	-	-	-	-	-
12"	388.00	388.00	-	-	-	-	-	-	-	-
Effective date of rate change	10/01/18		07/15/14		03/06/13		11/01/10			

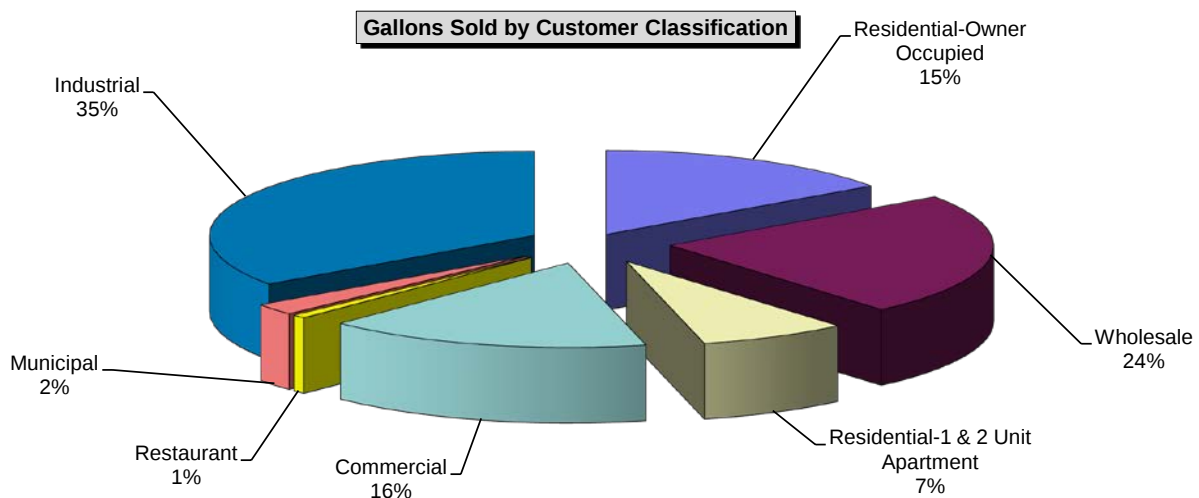
Notes:

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 - 2019

Classification	Gallons	Revenue	Average Number of Customers Billed	Average Daily Consumption Per Customer
Residential-Owner Occupied	903,940,751	\$ 4,779,772	22,488	110 Gallons
Residential-1 & 2 Unit Apartment	439,099,233	2,233,556	9,744	123 Gallons
Restaurant	40,800,969	156,962	139	804 Gallons
Commercial	961,339,691	3,520,608	3,320	793 Gallons
Industrial	2,072,419,743	5,219,982	163	34,834 Gallons
Municipal	130,804,346	443,568	232	1,545 Gallons
Wholesale	1,405,232,541	3,434,908	4	---
Private Fire Protection	---	140,085	483	---
Public Fire Protection	---	1,340,187	---	---
Customer Late Payment Penalties	---	152,709	---	---
Sewer Collection Revenue	---	1,113,612	---	---
Other Operating Revenue	---	278,140	---	---
Totals	5,953,637,274	\$ 22,814,089	36,573	



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

USAGE SCHEDULE OF THE CURRENT TWELVE LARGEST CONSUMERS
For the Years Ended December 31, 2019 and 2018

Name of Customer	Gallons Used		Increase (Decrease)
	2019	2018	
Village of Ashwaubenon	1,186,706,488	1,202,134,736	(15,428,248)
Procter & Gamble	503,444,504	461,636,332	41,808,172
Georgia-Pacific	395,882,680	404,912,065	(9,029,385)
JBS Green Bay	368,165,847	363,601,686	4,564,161
American Foods Group	281,926,690	270,286,822	11,639,868
Bay Valley Foods	237,385,602	230,977,609	6,407,993
Green Bay Packaging	191,284,828	189,511,943	1,772,885
Village of Hobart	116,794,216	121,960,652	(5,166,436)
Village of Wrightstown	68,988,040	71,865,596	(2,877,556)
Bellin Health	46,278,177	48,242,629	(1,964,452)
Wisconsin Public Service	-	46,842,350	(46,842,350)
Aurora Health Care	44,132,030	46,781,930	(2,649,900)
HSBS St. Vincent Hospital	37,757,110	-	37,757,110
Totals	<u>3,478,746,212</u>	<u>3,458,754,350</u>	<u>19,991,862</u>
Percentage of Metered Water	58.06%	56.37%	1.69%

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

REVENUE SCHEDULE OF THE TWELVE LARGEST CONSUMERS - LAST TEN YEARS

Name of Customer	2019		2018		2017		2016		2015	
	Amount	% of Oper Revenue	Amount	% of Oper Revenue	Amount	% of Oper Revenue	Amount	% of Oper Revenue	Amount	% of Oper Revenue
Village of Ashwaubenon	\$ 2,903,163	12.73%	\$ 2,721,979	12.56%	\$ 2,793,770	13.23%	\$ 2,804,817	14.16%	\$ 2,562,371	13.44%
Georgia-Pacific	999,289	4.38%	948,559	4.38%	1,051,372	4.98%	1,004,411	5.07%	1,040,061	5.45%
Procter & Gamble	1,250,072	5.48%	1,065,695	4.92%	1,055,098	5.00%	892,735	4.51%	1,144,229	6.00%
JBS Green Bay	912,367	4.00%	837,681	3.87%	792,364	3.75%	707,612	3.57%	665,163	3.49%
American Foods Group	719,893	3.16%	641,117	2.96%	590,607	2.80%	559,195	2.82%	495,649	2.60%
Bay Valley Foods	581,576	2.55%	527,021	2.43%	450,495	2.13%	436,784	2.20%	360,751	1.89%
Green Bay Packaging	489,048	2.14%	449,130	2.07%	443,762	2.10%	393,515	1.99%	342,048	1.79%
Village of Hobart	285,740	1.25%	275,325	1.27%	225,291	1.07%	214,450	1.08%	202,109	1.06%
Bellin Health	137,933	0.60%	131,455	0.61%	120,201	0.57%	142,146	0.72%	112,657	0.59%
Aurora Health Care	134,581	0.59%	131,120	0.61%	144,543	0.68%	128,794	0.65%	110,622	0.58%
Wisc Public Service Corp			125,862	0.58%					97,450	0.51%
HSBS St. Vincent Hospital	111,339	0.49%					96,617	0.49%		
Town of Scott					96,827	0.46%	90,876	0.46%	87,136	0.46%
Village of Wrightstown	166,936	0.73%	160,256	0.74%	200,397	0.95%				
Totals	\$ 8,691,937	38.10%	\$ 8,015,200	36.99%	\$ 7,964,727	37.71%	\$ 7,471,952	37.71%	\$ 7,220,246	37.87%

Name of Customer	2014		2013		2012		2011		2010	
	Amount	% of Oper Revenue	Amount	% of Oper Revenue	Amount	% of Oper Revenue	Amount	% of Oper Revenue	Amount	% of Oper Revenue
Village of Ashwaubenon	\$ 2,420,081	13.32%	\$ 2,177,423	12.30%	\$ 2,157,758	12.23%	\$ 2,029,400	11.55%	\$ 1,920,189	11.36%
Georgia-Pacific	967,245	5.32%	1,002,521	5.66%	1,051,940	5.96%	928,516	5.28%	904,538	5.35%
Procter & Gamble	1,086,662	5.98%	1,055,999	5.97%	1,189,974	6.75%	1,455,966	8.29%	1,357,708	8.04%
JBS Green Bay	615,100	3.38%	612,415	3.46%	561,736	3.18%	611,492	3.48%	564,653	3.34%
American Foods Group	447,006	2.46%	427,416	2.41%	411,317	2.33%	418,636	2.38%	432,738	2.56%
Bay Valley Foods	290,177	1.60%	225,637	1.27%	232,763	1.32%	206,064	1.17%	195,624	1.16%
Green Bay Packaging	297,661	1.64%	276,827	1.56%	258,445	1.47%	444,193	2.53%	299,879	1.77%
Village of Hobart	204,814	1.13%	192,467	1.09%	183,400	1.04%	100,249	0.57%		
Bellin Health	105,162	0.58%	97,775	0.55%	93,218	0.53%	94,317	0.54%	100,583	0.60%
Aurora Health Care	123,184	0.68%								
Wisc Public Service Corp	128,392	0.71%	147,874	0.84%	129,744	0.74%	163,595	0.93%	180,234	1.07%
HSBS St. Vincent Hospital			98,234	0.55%	101,732	0.58%	90,705	0.52%	85,168	0.50%
Town of Scott	92,191	0.51%	90,849	0.51%	76,420	0.43%	82,069	0.47%	88,926	0.53%
Univ of Wisc - Green Bay									66,422	0.39%
Totals	\$ 6,777,675	37.30%	\$ 6,405,437	36.19%	\$ 6,448,447	36.56%	\$ 6,625,202	37.70%	\$ 6,196,662	36.67%

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

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

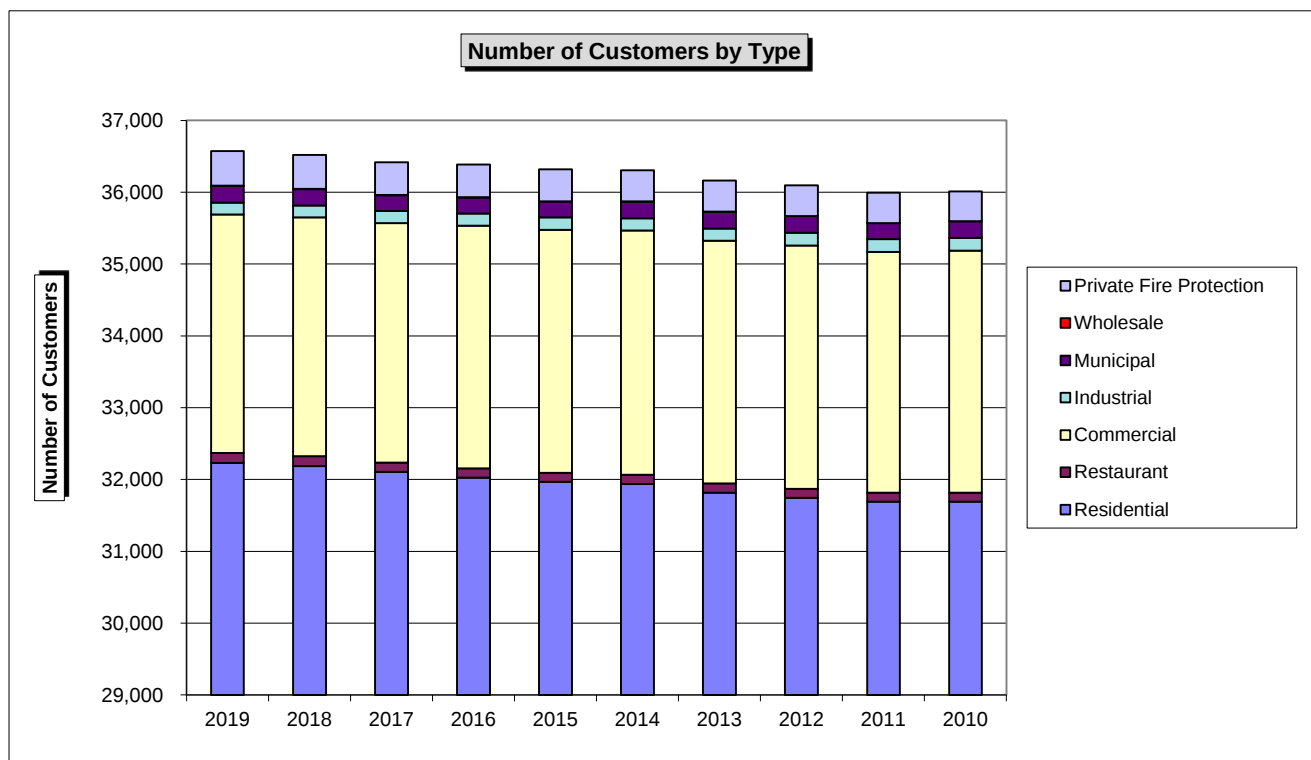
Name of Customer	<u>2019</u>			
	Amount	% of Oper Revenue	Gallons Used	% of Water Metered
Village of Ashwaubenon	\$ 2,903,163	13.40%	1,186,706,488	19.81%
Procter & Gamble	1,250,072	5.77%	503,444,504	8.40%
Georgia-Pacific	999,289	4.61%	395,882,680	6.61%
JBS Green Bay	912,367	4.21%	368,165,847	6.15%
American Foods Group	719,893	3.32%	281,926,690	4.71%
Bay Valley Foods	581,576	2.68%	237,385,602	3.96%
Green Bay Packaging	489,048	2.26%	191,284,828	3.19%
Village of Hobart	285,740	1.32%	116,794,216	1.95%
Village of Wrightstown	166,936	0.77%	68,988,040	1.15%
Bellin Health	137,933	0.64%	46,278,177	0.77%
Aurora Health Care	134,581	0.62%	44,132,030	0.74%
HSHS St. Vincent Hospital	111,339	0.51%	37,757,110	0.63%
Totals	\$ 8,691,937	40.11%	3,478,746,212	58.06%

Name of Customer	<u>2010</u>			
	Amount	% of Oper Revenue	Gallons Used	% of Water Metered
Village of Ashwaubenon	\$ 1,920,189	11.36%	1,126,029,476	17.95%
Procter & Gamble	1,357,708	8.04%	790,733,487	12.60%
Georgia-Pacific	904,538	5.35%	516,166,952	8.23%
JBS Green Bay	564,653	3.34%	321,744,159	5.13%
American Foods Group	432,738	2.56%	240,713,850	3.84%
Green Bay Packaging	299,879	1.77%	164,964,077	2.63%
Bay Valley Foods	195,624	1.16%	112,541,088	1.79%
Wisconsin Public Service Corp	180,234	1.07%	94,270,193	1.50%
Town of Scott	88,926	0.53%	52,663,688	0.84%
Bellin Health	100,583	0.60%	47,383,017	0.76%
HSHS St. Vincent Hospital	85,168	0.50%	40,388,664	0.64%
University of Wisc - Green Bay	66,422	0.39%	31,907,638	0.51%
Totals	\$ 6,196,662	36.67%	3,539,506,289	56.42%

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

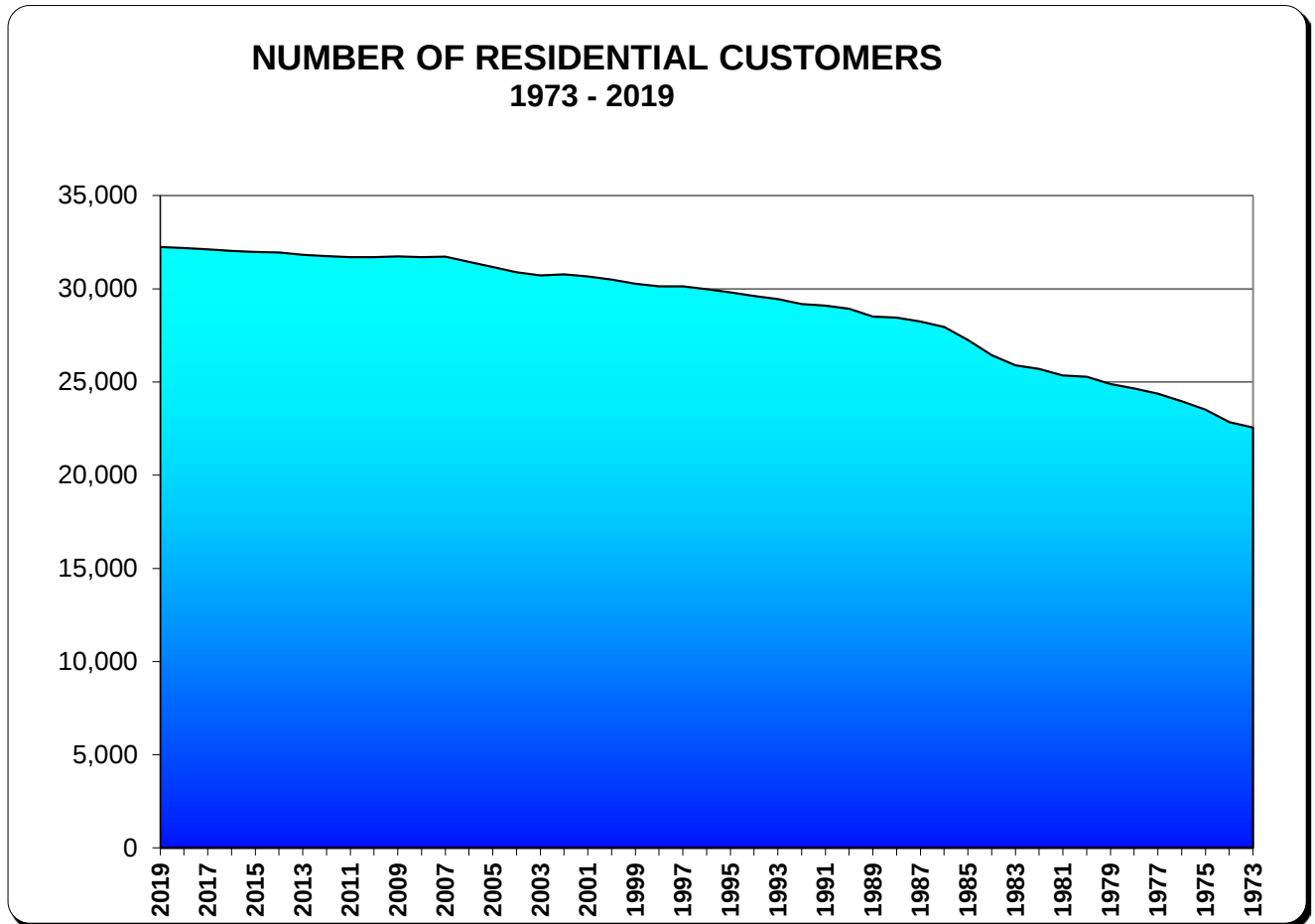
NUMBER OF CUSTOMERS BY TYPE - LAST TEN YEARS

	<u>2019</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>
Residential	32,232	32,188	32,108	32,027	31,968	31,939	31,818	31,746	31,691	31,692
Restaurant	139	139	127	127	125	126	130	126	126	126
Commercial	3,320	3,325	3,336	3,379	3,384	3,401	3,375	3,388	3,353	3,368
Industrial	163	162	168	172	174	171	173	174	176	180
Municipal	232	228	219	222	220	231	232	232	223	229
Wholesale	4	4	4	4	3	3	3	3	3	2
Private Fire Protection	483	473	454	456	444	436	433	426	422	414
Totals	36,573	36,519	36,416	36,387	36,318	36,307	36,164	36,095	35,994	36,011



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

RESIDENTIAL CUSTOMER ANALYSIS



RESIDENTIAL CUSTOMERS

	Five Year Record				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Average Number of Customers	32,232	32,188	32,108	32,027	31,968
Average Annual Usage Per Customer (Gallons)	41,668	44,150	42,800	44,296	45,334
Average Annual Billings Per Customer	\$ 217.51	\$ 199.27	\$ 191.49	\$ 196.84	\$ 191.83
Rate Increases	---	10/01/18	---	---	11/05/15
Approximate % Increase	---	4.0%	---	---	4.3%

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

DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN YEARS

	<u>2019</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>
Population - City of Green Bay	105,693	105,477	105,443	105,079	105,051	104,710	104,300	104,275	104,250	104,057
Unemployment Rate (1) Green Bay Metropolitan Area	3.2%	3.0%	3.2%	3.8%	4.2%	5.1%	6.2%	6.5%	7.1%	7.7%
State of Wisconsin	3.3%	3.0%	3.3%	4.1%	4.6%	5.5%	6.7%	6.9%	7.5%	8.5%
Building Permits - City of Green Bay Number of New Residential Projects	72	110	100	112	69	67	79	48	41	42
Value of New Residential Projects (\$000's)	\$ 21,831	\$ 32,316	\$ 26,941	\$ 31,321	\$ 21,771	\$ 29,961	\$ 17,732	\$ 10,227	\$ 7,193	\$ 27,340
Number of Total Building Permits	3,326	3,088	3,037	2,877	2,753	2,236	2,206	2,318	2,386	2,420
Value of Total Building Projects (\$000's)	\$ 173,504	\$ 184,284	\$ 143,678	\$ 219,869	\$ 182,138	\$ 120,215	\$ 69,038	\$ 221,223	\$ 80,886	\$ 130,276
Personal Income - Green Bay Metro Area Total (million \$)	(2)	\$ 16,579	\$ 15,584	\$ 14,754	\$ 14,454	\$ 14,079	\$ 13,538	\$ 13,338	\$ 12,726	\$ 12,095
Per Capita	(2)	\$ 51,553	\$ 48,692	\$ 46,362	\$ 45,665	\$ 44,761	\$ 43,312	\$ 42,879	\$ 41,215	\$ 39,433

(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**

Name of Employer	2019		
	Number of Employees	Percent of Total Metro Area Employment	Type of Business
Bellin Health *	3,140	1.78%	Acute care hospital
Humana	2,846	1.62%	Health insurance and related services
Oneida Nation	2,789	1.59%	Tribal enterprises and government
Schneider National, Inc.	2,626	1.49%	Truck load carrier
Aurora Health Care *	2,470	1.40%	Full-service medical care
Georgia-Pacific *	1,937	1.10%	Manufacturer of paper & tissue products
UnitedHealthcare	1,823	1.04%	Health and life insurance
HSHS St. Vincent Hospital *	1,668	0.95%	Acute care hospital
American Foods Group *	1,592	0.91%	Meat distributor
Prevea Health *	1,299	0.74%	Full-service medical care
Total of Ten Largest Employers	22,190	12.61%	

Name of Employer	2010		
	Number of Employees	Percent of Total Metro Area Employment	Type of Business
Humana	3,169	1.83%	Health insurance and related services
Schneider National, Inc.	2,994	1.73%	Truck load carrier
Oneida Nation	2,916	1.69%	Tribal enterprises and government
Georgia-Pacific *	2,400	1.39%	Manufacturer of paper & tissue products
Bellin Health *	2,203	1.27%	Acute care hospital
Aurora Health Care *	1,703	0.98%	Full-service medical care
HSHS St. Vincent Hospital *	1,556	0.90%	Acute care hospital
UnitedHealthcare	1,538	0.89%	Health and life insurance
American Foods Group *	1,523	0.88%	Meat distributor
Wisconsin Public Service *	1,438	0.83%	Electric and natural gas utility
Total of Ten Largest Employers	21,440	12.39%	

Green Bay metropolitan area's total labor force (2019 = 175,911, 2010 = 173,042)

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

* Located within the Green Bay Water Utility's service area.

Source: Green Bay Area Chamber of Commerce

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

CLASSIFICATION OF METERS
As of December 31, 2019

Size	Residential & Apartment	Commercial & Restaurant	Industrial	Municipal	Wholesale	Utility Use	In Stock & Deduct	Total
5/8"	16,202	574	13	11	0	0	391	17,191
3/4"	15,734	1,024	31	2	0	0	474	17,265
1"	148	677	29	13	0	0	87	954
1 1/2"	3	648	22	18	0	0	124	815
2"	0	403	40	45	0	0	153	641
3"	0	57	8	25	0	0	34	124
4"	0	21	7	11	0	0	22	61
6"	0	2	9	1	4	0	15	31
8"	0	1	5	1	2	7	5	21
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
Total	32,087	3,407	164	127	9	10	1,305	37,109

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

WELLS, RESERVOIRS & TANKS

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
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
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
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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Green Bay Plant										
Land	\$ 264,966	\$ 264,966	\$ 264,966	\$ 264,966	\$ 264,174	\$ 264,174	\$ 264,174	\$ 264,174	\$ 264,174	\$ 264,174
Pumping plant structures	3,488,872	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
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	706,215	719,543	719,543	719,543	719,543	719,543	719,543	719,543	719,543	719,543
Office building & garage	2,541,959	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
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	4,923,291	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
Distribution mains	79,193,555	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
Services	20,704,308	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
Meters	8,463,251	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
Hydrants	8,672,088	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
Treatment equipment	154,484	185,467	185,467	185,467	185,467	184,534	182,059	178,652	178,652	178,652
Telemetering equipment	190,736	190,736	190,736	190,736	176,881	176,881	163,531	163,531	163,531	47,150
Electric pumping equipment	1,426,674	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
Power production equipment	237,309	237,309	237,309	237,309	237,309	-	-	-	-	-
Power operated equipment	657,410	657,411	710,553	604,324	604,324	582,075	548,058	548,058	548,058	548,058
Tools, shop & garage equipment	1,105,415	1,211,495	1,175,318	1,194,564	1,129,706	1,076,945	1,038,682	956,286	894,527	886,166
Stores equipment	24,957	40,650	40,650	40,650	40,650	40,650	40,650	37,988	37,988	37,988
Transportation equipment	2,426,916	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
Communication equipment	58,035	58,035	58,035	58,035	56,785	56,785	56,785	56,785	56,785	67,664
Office furniture & computers	3,845,706	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
	143,573,481	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
Lake Michigan Supply System										
Land	259,723	259,723	259,723	259,723	259,723	259,723	259,723	259,723	259,723	259,723
Pumping plant structures	2,981,777	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
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	15,442,221	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
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	43,764,408	43,114,197	43,095,218	42,795,003	42,795,003	42,795,003	42,593,662	41,055,061
Distribution mains	646,048	646,049	646,048	646,048	646,048	646,048	646,048	646,048	646,048	646,048
Electric pumping equipment	3,759,943	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
Treatment equipment	18,072,502	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
Telemetering equipment	628,368	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
Tools, shop & garage equipment	41,080	43,337	43,337	52,965	52,965	52,965	52,965	52,965	52,965	33,797
Laboratory equipment	35,284	41,977	41,977	32,799	32,799	32,799	32,799	32,799	32,799	32,799
Communication equipment	321,656	321,656	321,656	321,656	305,751	106,514	106,514	106,514	106,514	106,514
Office furniture & computers	23,728	30,595	30,595	30,595	30,595	30,595	30,595	30,595	29,787	29,787
Power production equipment	1,612,314	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
	89,225,707	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
Total	\$ 232,799,188	\$ 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

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

**SUPPLY MAINS IN SERVICE
TYPE AND SIZE IN SERVICE DECEMBER 31, 2019**

<u>Type and Size of Main</u>	<u>Feet In Service Dec. 31, 2018</u>	<u>Added In 2019</u>	<u>Retired In 2019</u>	<u>Adjusted In 2019</u>	<u>Feet In Service Dec. 31, 2019</u>
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	24,865				24,865
24" Ductile Iron	17,377				17,377
30" Prestressed Concrete	2,307		(1)		2,306
30" Ductile Iron	3,850				3,850
30" Steel	18				18
36" Prestressed Concrete	133,351				133,351
36" Ductile Iron	7,330				7,330
36" Steel	123				123
42" Prestressed Concrete	78,154			55	78,209
42" Steel	1,286				1,286
54" Steel	75,587				75,587
Totals	<u>358,424</u>	<u>0</u>	<u>(1)</u>	<u>55</u>	<u>358,478</u>

The amounts in the "Adjusted in 2019" 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, 2019

FOX RIVER:					
1964	Emilie Street to Ninth Street	24" Steel			1,812
1971	Mason Street Crossing	24" Ductile Iron			1,061
2005	Grignon Street to Ninth Street	36" Steel			2,332
EAST RIVER:					
1957	Cass Street Crossing	30" Steel			302
1995	Lawe Street Crossing	36" Steel			1,567
Totals					<u>7,074</u>
Total Supply Mains and River Crossing Supply Mains in Service December 31, 2019					365,552

69.2 Miles of Supply Mains in Service as of December 31, 2019

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

**DISTRIBUTION AND TRANSMISSION MAINS IN SERVICE
TYPE AND SIZE IN SERVICE DECEMBER 31, 2019**

Type and Size of Main	Feet In Service Dec. 31, 2018	Added In 2019	Retired In 2019	Adjusted In 2019	Feet In Service Dec. 31, 2019
3/4" Galvanized	335		(180)		155
3/4" Lead	0				0
3/4" Copper	470			1	471
1" Galvanized	1,241				1,241
1" Lead	0				0
1" Copper	1,278				1,278
1" Polyethylene	243				243
1 1/4" Galvanized	457				457
1 1/4" Copper	244				244
1 1/2" Galvanized	2,023		(341)		1,682
1 1/2" Copper	2,703			1	2,704
1 1/2" Polyethylene	245				245
2" Galvanized	1,249				1,249
2" Cast Iron	8,723			(19)	8,704
2" Ductile Iron	514				514
2" Copper	3,356		(175)		3,181
2" Brass	15			1	16
2" Polyethylene	318			19	337
2 1/2" Galvanized	724	2	(8)		718
3" Cast Iron	129				129
3" Ductile Iron	106				106
4" Cast Iron	5,243		(100)		5,143
4" Ductile Iron	10,707		(8)		10,699
4" PVC	105				105
6" Phipp's Hydraulic	4,897			206	5,103
6" Cast Iron	459,190		(10,371)	(207)	448,612
6" Ductile Iron	96,761	2	(1,319)		95,444
6" PVC	8,835	1,300	(42)		10,093
8" Phipp's Hydraulic	483		(483)		0
8" Cast Iron	103,674		(4)		103,670
8" Ductile Iron	645,351	464	(987)	60	644,888
8" PVC	180,489	15,254	(125)		195,618
10" Cast Iron	83,937		(941)	69	83,065
10" Ductile Iron	23,420				23,420
10" PVC	691	40	(1)	1	731
12" Cast Iron	61,506		(452)		61,054
12" Ductile Iron	354,534	1,787	(222)	5	356,104
12" PVC	97,872	4,638	(149)	5	102,366
16" Cast Iron	26,917		(7)		26,910
16" Ductile Iron	113,535	8	(34)	6	113,515
16" Steel	0				0
16" PVC	14,308	1,376		4	15,688
18" Cast Iron	1,849		(1)	1	1,849
18" Ductile Iron	437				437
18" Polyethylene	783				783
20" Ductile Iron	227				227
24" Ductile Iron	566				566
Totals	2,320,690	24,871	(15,950)	153	2,329,764

The amounts in the "Adjusted in 2019" 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, 2019

FOX RIVER:				
1906	Stuart Street to School Place	16" Cast Iron		991
		16" Ductile Iron		79
1996	Prairie Avenue to Radisson Street	16" Steel		1,433
		16" Ductile Iron		319
EAST RIVER:				
1905	Cedar Street Crossing	12" Cast Iron		286
1907	Jackson Street Crossing	12" Cast Iron		354
1934	Cass Street Crossing	12" Cast Iron		794
1939	Inwin Avenue Crossing	12" Cast Iron		717
		10" Cast Iron		15
Totals				4,988

Total Distribution Mains and River Crossing Transmission Mains in Service December 31, 2019 2,334,752

442 Miles of Distribution and Transmission Mains in Service as of December 31, 2019

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

WATER SERVICES (LATERALS) IN SERVICE
TYPE AND SIZE IN SERVICE DECEMBER 31, 2019

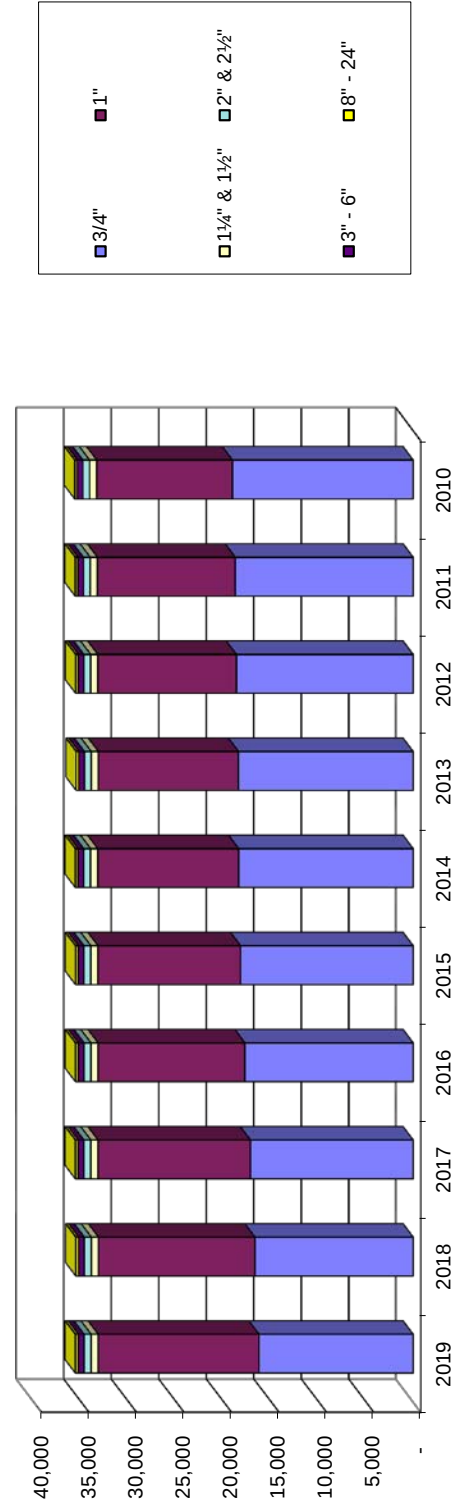
TYPE AND SIZE OF PIPE	IN SERVICE DEC. 31, 2018	ADDED IN 2019	RETIRED IN 2019	ADJUSTED IN 2019	IN SERVICE DEC. 31, 2019
3/4" Galvanized	125		(14)		111
3/4" Lead	1,034		(345)		689
3/4" Tubeloy (lead & copper alloy)	2				2
3/4" Copper	15,572	2	(72)		15,502
3/4" Polyethylene	9				9
1" Galvanized	7				7
1" Lead	0				0
1" Copper	13,171	287	(25)		13,433
1" Polyethylene	3,299	191	(2)		3,488
1 1/4" Galvanized	2				2
1 1/2" Galvanized	1				1
1 1/2" Copper	679		(1)		678
1 1/2" Polyethylene	64	2			66
2" Galvanized	3				3
2" Copper	611		(3)		608
2" Polyethylene	101	5			106
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	149	3	(2)		150
4" PVC	48	5			53
4" Copper	1				1
6" Cast Iron	37				37
6" Ductile Iron	188		(1)		187
6" PVC	85	8		1	94
8" Cast Iron	7				7
8" Ductile Iron	127	2			129
8" PVC	82	4			86
10" Cast Iron	2				2
10" Ductile Iron	30				30
10" PVC	13				13
12" Cast Iron	1				1
12" Ductile Iron	16				16
12" PVC	6				6
16" Ductile Iron	2	2			4
24" Ductile Iron	1				1
Total Services	<u>35,576</u>	<u>511</u>	<u>(465)</u>	<u>1</u>	<u>35,623</u>

The amounts in the "Adjusted in 2019" 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

	<u>2019</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>
3/4"	16,313	16,742	17,213	17,795	18,261	18,454	18,479	18,697	18,817	19,109
1"	16,928	16,477	16,054	15,463	15,007	14,839	14,748	14,591	14,510	14,286
1 1/4"	2	2	2	2	2	2	1	2	2	1
1 1/2"	745	744	745	743	744	743	743	742	746	751
2"	731	729	727	722	722	724	714	711	710	698
2 1/2"	-	-	-	-	-	-	-	-	-	-
3"	64	64	64	65	66	66	67	71	72	73
4"	227	221	222	222	223	223	221	217	216	216
6"	318	310	313	314	305	303	296	297	297	293
8"	222	216	214	212	207	205	204	203	198	195
10"	45	45	43	43	42	42	41	41	41	40
12"	23	23	23	23	21	21	21	21	23	22
16"	4	2	1	1	1	1	1	1	1	1
24"	1	1	1	1	1	1	1	1	1	-
Totals	35,623	35,576	35,622	35,606	35,602	35,624	35,537	35,595	35,634	35,685



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

OPERATING AND CAPITAL INDICATORS - LAST TEN YEARS

	<u>2019</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>
Miles of water mains:										
Supply mains	67.9	68.0	69.2	67.9	67.9	68.1	68.2	68.0	69.2	69.2
River crossing mains	1.3	1.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.7
Distribution mains	442.0	440.0	440.0	440.1	439.0	439.8	440.5	441.1	441.4	440.4
Total	511.2	509.3	511.5	510.3	509.2	510.2	511.0	511.4	512.9	512.3

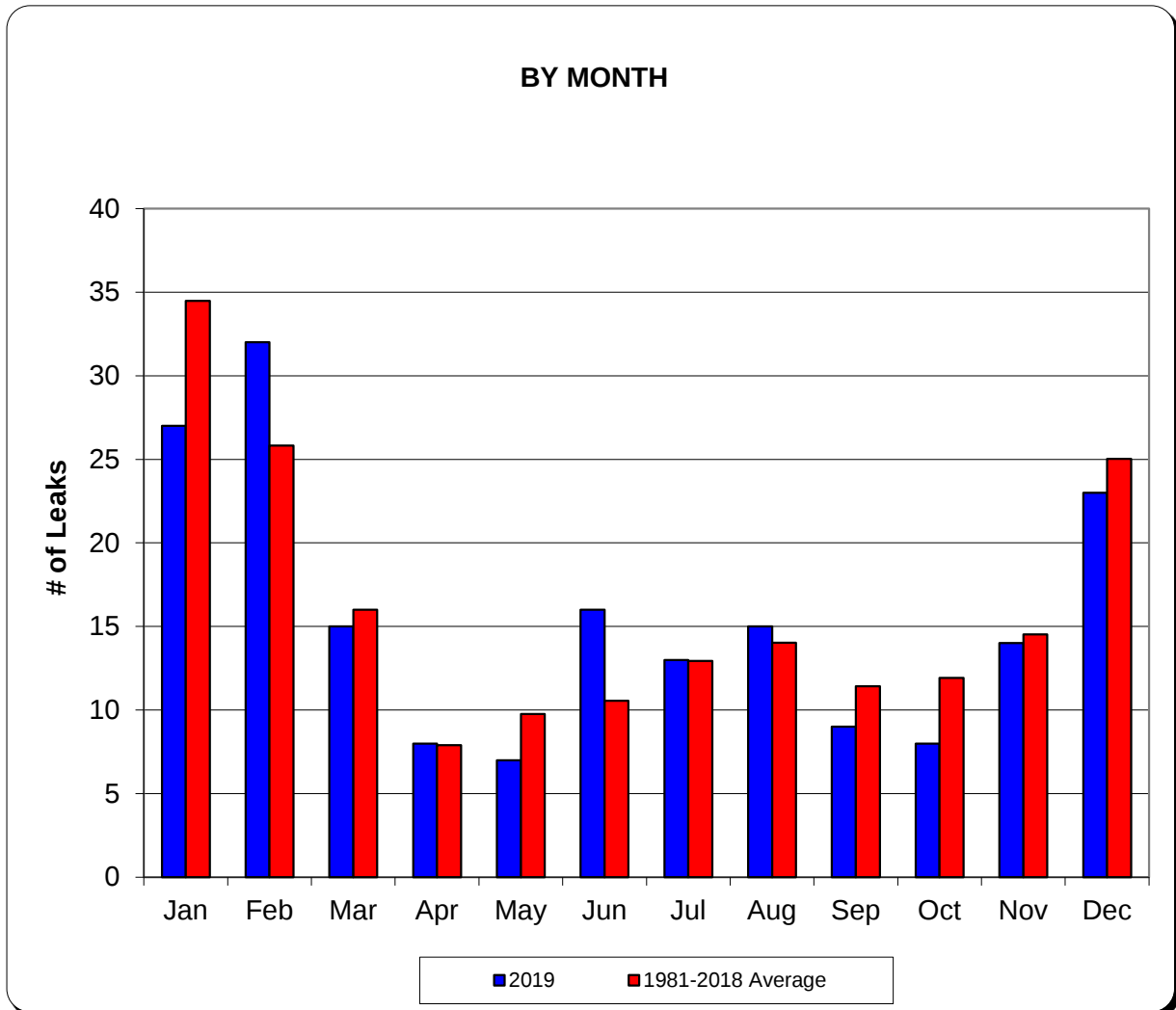
Number of full-time Water Utility employees

Pumping	4	4.5	4	4	4	4	4	4	4	4
Water Treatment	8	8	8	8	8	8	8	8	8	8
Distribution & Engineering	28	27	27	25	26	24	24	23	23	23
Metering & Customer Service	7	7	8	7	6	7	7	8	8	8
Billing & Office	11	10	10	10	10	10	10	10	10	10
Administration	5	5	4.5	4	2	2	2	3	3	3
Total	63	61.5	61.5	58	56	55	55	56	56	56

Average daily pumpage (gallons)	18,967,693	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
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	85.9%	83.5%	83.9%	91.3%	91.6%	91.5%	93.5%	89.2%	88.5%	89.5%
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	54,501,120
Percentage of pump capacity used	34.8%	35.8%	35.6%	32.8%	32.7%	32.7%	32.0%	33.5%	33.8%	33.4%
Daily capacity of stand-by wells for emergency use (gallons)	10,812,400	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	57.0%	58.7%	59.0%	64.2%	64.4%	64.3%	65.8%	62.7%	62.2%	62.9%

WATER UTILITY CITY OF GREEN BAY, WISCONSIN

WATER MAIN LEAKS



ANNUAL WATER MAIN LEAKS

2019	187
2018	189
2017	146
2016	138
2015	147



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



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COMPLIANCE SECTION

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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") Green Bay Water Utility, as of and for the year ended December 31, 2019, 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 9 dated June 23, 2020.

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 opinion 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and as item 2019-001 that we consider to be a material weakness.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses.

Water Utility, City of Green Bay, Wisconsin's Response to Finding

The Utility's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Utility's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Sheboygan, Wisconsin
June 23, 2020

Water Utility

City of Green Bay, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I. INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING NO.	CONTROL DEFICIENCIES
2019-001	Material Adjustment to the Utility's Financial Records
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	As part of our audit, we proposed a material adjusting journal entry to the Utility's financial statements related to unbilled accounts receivable at year end.
Context:	While performing audit procedures, a material audit adjustment was identified.
Criteria:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	Utility staff maintain financial records which accurately report revenues and expenditures throughout the year and have applied year-end procedures consistently with prior years; however, the year-end procedures did not include the recording of unbilled accounts receivable for services provided prior to year-end that had not yet been billed.
Effect:	Year-end financial records prior to final preparation of the financial statements contained a material misstatement.
Recommendation:	We recommend the Utility during year-end closing procedures include an evaluation of potential unbilled accounts receivable for services provided prior to year-end that had not yet been billed.
Management Response:	The Utility followed year-end procedures consistent with those of prior years, which did not include the recording of unbilled accounts receivable in prior year audited financial statements. Immediately upon discussion with the audit firm, the Utility completed an evaluation of the Utility's billing cycles and calculated the year –end adjustment for unbilled accounts receivable. The Utility will continue to complete the evaluation and record the adjustment as part of year-end closing procedures going forward.

SECTION II. COMPLIANCE AND OTHER MATTERS

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2019.



Report to the
Water Utility Commission
of the City of Green Bay

MEETING DATE

July 13, 2020

PREPARED BY

AGENDA ITEM # D.3

Approval of the building addition project submission to the Public Service Commission for construction authorization

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

None



Report to the
Water Utility Commission
of the City of Green Bay

MEETING DATE

July 13, 2020

PREPARED BY

AGENDA ITEM # D.4

Approval of the May 2020 Financial Report

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

- I. May 2020 financial statements

GREEN BAY WATER UTILITY
CASH POSITION
May 31, 2020

	12/31/2019	5/31/2020
UNRESTRICTED CURRENT ASSETS		
Cash & Investments - Operation & Maintenance		
Local Govt. Investment Pool	103,329	103,763
Associated Bank Checking	5,419,243	5,204,442
Working Cash Funds - Petty Cash	1,700	1,700
Total Cash & Investments - Operation & Maintenance	<u>5,524,272</u>	<u>5,309,904</u>
 Assoc Bank Checking - Private Lead Service Replacement	 <u>69,887</u>	 <u>53,202</u>
RESTRICTED CURRENT ASSETS		
Cash & Investments - Bond Redemption		
Certificates of Deposit - Bond Redemption	890,000	2,220,000
Associated Bank Money Market Account	43,921	5,534
Total Cash & Investments - Bond Redemption	<u>933,921</u>	<u>2,225,534</u>
RESTRICTED LONG-TERM ASSETS		
Cash & Investments - Debt Reserve		
Associated Trust Money Market	33,020	141,805
Associated Trust Certificates of Deposit	721,617	721,617
Associated Trust Municipal Bonds	5,409,907	5,445,411
Total Cash & Investments - Debt Reserve	<u>6,164,544</u>	<u>6,308,833</u>
 TOTAL CASH POSITION	 <u><u>\$ 12,692,623</u></u>	 <u><u>\$ 13,897,473</u></u>

GREEN BAY WATER UTILITY**BALANCE SHEET**

May 31, 2020

	AS OF <u>12/31/2019</u>	AS OF <u>5/31/2020</u>
<u>ASSETS</u>		
Current Assets		
O & M Cash & Investments	\$ 5,524,272	\$ 5,309,904
Lead Service Replacement Cash	69,887	53,202
Lead Service Replacement Receivable	40	17,187
Interest Receivable	1,295	389
Accounts Receivable	6,476,425	6,427,588
Inventories	498,043	526,829
Prepayments	28,681	1,492,739
Total Current Assets	<u>12,598,643</u>	<u>13,827,839</u>
Property, Plant & Equipment		
Original Cost	232,799,188	233,174,778
Less: Accumulated Depreciation	<u>(89,325,787)</u>	<u>(91,349,332)</u>
Net Plant	143,473,401	141,825,447
Construction in Progress	105,153	703,787
Total Plant & Equipment	<u>143,578,554</u>	<u>142,529,233</u>
Restricted Assets		
Debt Reserve Fund	6,164,544	6,308,833
Bond Redemption Fund	933,921	2,225,534
Accrued Interest	48,671	40,558
Total Restricted Assets	<u>7,147,136</u>	<u>8,574,925</u>
Other Assets		
Unamortized Ashwaubenon Booster	1,511,713	1,456,941
Unamortized Wrightstown Loan/Grant	506,400	493,213
Unamortized Loss on Refunding	909,954	538,848
Net Pension Asset	-	-
Deferred Outflows-Pension	2,471,155	2,471,155
Total Other Assets	<u>5,399,222</u>	<u>4,960,156</u>
TOTAL ASSETS	<u><u>\$ 168,723,555</u></u>	<u><u>\$ 169,892,153</u></u>

GREEN BAY WATER UTILITY**BALANCE SHEET**

May 31, 2020

Page 2

	AS OF <u>12/31/2019</u>	AS OF <u>5/31/2020</u>
<u>LIABILITIES & FUND EQUITY</u>		
Current Liabilities		
Accounts Payable	\$ 506,804	\$ 97,433
Sewer Billings Payable	2,886,735	3,139,074
Storm Water Billings Payable	1,157,390	1,478,416
Lead Service Replacement Grant	30,571	30,571
Accrued Vacation & Sick Leave Pay	439,369	439,369
Accrued Taxes	33,613	33,613
Total Current Liabilities	<u>5,054,482</u>	<u>5,218,476</u>
Other Liabilities		
Net Pension Liability	910,735	910,735
Deferred Outflows-Pension	1,262,931	1,262,931
Total Other Liabilities	<u>2,173,666</u>	<u>2,173,666</u>
Payable from Restricted Assets		
Current Portion of Long-Term Debt	3,705,000	3,705,000
Accrued Interest	450,683	121,687
Total Restricted Payables	<u>4,155,683</u>	<u>3,826,687</u>
Long-Term Debt - Net of Premiums & Discounts	<u>44,743,444</u>	<u>44,346,439</u>
TOTAL LIABILITIES	<u>56,127,274</u>	<u>55,565,268</u>
<u>FUND EQUITY</u>		
Contributed Capital		
City of Green Bay	<u>736,907</u>	<u>736,907</u>
Earned Surplus		
Restricted	2,991,453	4,748,238
Unrestricted	108,867,921	108,841,740
Total Earned Surplus	<u>111,859,374</u>	<u>113,589,978</u>
TOTAL FUND EQUITY	<u>112,596,281</u>	<u>114,326,885</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 168,723,555</u>	<u>\$ 169,892,153</u>

GREEN BAY WATER UTILITY
INCOME SUMMARY
May 31, 2020

	2020 BUDGET	BUDGET THRU MAY	ACTUAL AS OF 5/31/2020	TOTAL BUDGET REMAINING VARIANCE
TOTAL OPERATING REVENUES	\$ 23,647,750	\$ 9,853,229	\$ 8,442,442	\$ (15,205,308)
OPERATING EXPENSES				
Pumping	2,970,879	1,237,866	405,400	2,565,479
Water Treatment	1,964,040	818,350	498,304	1,465,736
Transmission & Distribution	3,096,765	1,290,319	773,913	2,322,852
Customer Accounts	892,781	371,992	399,053	493,728
Administrative & General	11,170,080	4,654,200	4,127,299	7,042,781
Total Operating Expenses	<u>20,094,545</u>	<u>8,372,727</u>	<u>6,203,969</u>	<u>13,890,576</u>
Operating Profit (Loss)	3,553,205	1,480,502	2,238,473	(1,314,732)
Interest & Miscellaneous Income	1,486,011	619,171	79,868	(1,406,143)
Interest Expense	<u>1,467,721</u>	<u>611,550</u>	<u>587,737</u>	<u>879,984</u>
NET INCOME (LOSS)	<u>\$ 3,571,495</u>	<u>\$ 1,488,123</u>	<u>\$ 1,730,604</u>	<u>\$ (1,840,891)</u>

GREEN BAY WATER UTILITY
INCOME & EXPENSE COMPARISON
BUDGET TO ACTUAL
May 31, 2020

	BUDGET THRU MAY	ACTUAL AS OF 5/31/2020	DOLLAR VARIANCE	PERCENT VARIANCE
OPERATING REVENUES				
Residential & Apartment	\$ 3,029,688	\$ 2,672,690	\$ (356,997)	-11.8%
Commercial & Restaurant	1,607,813	1,385,277	(222,536)	-13.8%
Industrial	2,290,313	1,780,525	(509,788)	-22.3%
Municipal	185,938	129,706	(56,232)	-30.2%
Sales to General Customers	7,113,750	5,968,197	(1,145,553)	-16.1%
Sales for Resale - Ashwaubenon	1,295,000	1,127,145	(167,855)	-13.0%
Sales for Resale - Scott	35,000	34,719	(281)	-0.8%
Sales For Resale - Hobart	129,063	115,383	(13,679)	-10.6%
Sales for Resale - Wrightstown	70,000	77,750	7,750	11.1%
Public Fire Protection	577,500	538,023	(39,477)	-6.8%
Private Fire Protection	60,000	35,769	(24,231)	-40.4%
Sewer & Stormwater Portion of Expenses	514,583	531,250	16,667	3.2%
Penalties	58,333	14,205	(44,128)	-75.6%
TOTAL OPERATING REVENUES	9,853,229	8,442,442	(1,410,787)	-14.3%
OPERATING EXPENSES				
<u>PUMPING EXPENSE</u>				
Purchased Water (602)	1,708	1,668	40	2.4%
Maint of Intakes (613)	6,250	-	6,250	100.0%
Maint of Supply Mains (616)	684,398	3,793	680,606	99.4%
Pumping Operation Supervision (620)	13,159	17,164	(4,005)	-30.4%
Power Purchased for Pumping (623)	315,350	216,598	98,752	31.3%
Pumping Labor & Expense (624)	35,556	19,860	15,697	44.1%
Miscellaneous Pumping Expense (626)	29,393	30,754	(1,361)	-4.6%
Pumping Maintenance Supervision (630)	35,818	28,419	7,399	20.7%
Maintenance of Pumping Structures (631)	46,853	45,479	1,374	2.9%
Maintenance of Power Prod Equip (632)	3,625	-	3,625	100.0%
Maintenance of Pumping Equipment (633)	65,757	41,666	24,091	36.6%
TOTAL PUMPING EXPENSE	1,237,866	405,400	832,466	67.3%
<u>WATER TREATMENT EXPENSE</u>				
Treatment Operations Supervision (640)	31,980	32,374	(394)	-1.2%
Chemicals (641)	126,125	110,282	15,843	12.6%
Treatment Operations (642)	263,254	210,785	52,469	19.9%
Miscellaneous Water Treatment (643)	48,779	56,797	(8,018)	-16.4%
Treatment Maintenance Supervision (650)	10,660	11,008	(348)	-3.3%
Maint of Treatment Structures (651)	19,566	16,096	3,470	17.7%
Maint of Treatment Equipment (652)	317,986	60,962	257,025	80.8%
TOTAL WATER TREATMENT EXPENSE	818,350	498,304	320,046	39.1%
<u>TRANSMISSION & DISTRIBUTION EXPENSE</u>				
Stores Expense (163)	-	19,548	(19,548)	XXX
Unallocated Vehicle & Equip Expense (184)	-	(165,523)	165,523	XXX
Distribution Operation Supervision (660)	84,833	93,440	(8,607)	-10.1%
Transmission & Distribution Line Expense (662)	157,638	110,303	47,335	30.0%
Meter Expense (663)	65,421	59,224	6,198	9.5%
Customer Installation Expense (664)	39,288	26,674	12,615	32.1%
Miscellaneous Distribution Expense (665)	101,261	90,638	10,622	10.5%
Maintenance of Reservoirs & Standpipes (672)	10,343	16,679	(6,337)	-61.3%
Maintenance of Mains (673)	567,470	326,604	240,866	42.4%
Maintenance of Services (675)	149,080	115,488	33,592	22.5%
Maintenance of Meters (676)	37,863	47,272	(9,408)	-24.8%
Maintenance of Hydrants (677)	77,122	33,566	43,556	56.5%
TOTAL TRANSMISSION & DISTRIBUTION EXPENSE	1,290,319	773,913	516,406	40.0%
<u>CUSTOMER ACCOUNTS EXPENSE</u>				
Meter Reading Expense (902)	12,728	18,887	(6,159)	-48.4%
Customer Records & Collection Expense (903)	354,680	378,249	(23,569)	-6.6%
Uncollectible Accounts (904)	1,667	1,327	340	20.4%
Conservation/Educational Expense (906)	2,917	590	2,326	79.8%
TOTAL CUSTOMER ACCOUNTS EXPENSE	371,992	399,053	(27,061)	-7.3%

GREEN BAY WATER UTILITY
INCOME & EXPENSE COMPARISON
BUDGET TO ACTUAL
May 31, 2020

	BUDGET THRU MAY	ACTUAL AS OF 5/31/2020	DOLLAR VARIANCE	PERCENT VARIANCE
<u>ADMINISTRATIVE & GENERAL EXPENSE</u>				
Depreciation Expense (403 & 426)	\$ 2,246,431	\$ 1,898,380	\$348,051	15.5%
Amortization of Non-Utility Plant (405)	54,772	54,772	(0)	0.0%
Taxes (408)	1,141,133	1,142,664	(1,532)	-0.1%
Administrative & General Salaries (920)	292,161	287,256	4,905	1.7%
Office Supplies & Expense (921)	36,250	30,323	5,927	16.4%
Outside Services Employed (923)	194,971	84,006	110,965	56.9%
Property Insurance (924)	25,667	59,167	(33,500)	-130.5%
Injuries & Damages (925)	23,333	888	22,445	96.2%
Employee Pension & Benefits (926)	534,880	503,308	31,572	5.9%
Regulatory Commission Expense (928)	4,167	4,213	(46)	-1.1%
Miscellaneous General Expense (930)	39,858	23,797	16,062	40.3%
Maintenance of General Plant (932)	60,578	38,526	22,051	36.4%
TOTAL ADMINISTRATIVE & GENERAL EXPENSE	4,654,200	4,127,299	526,901	11.3%
 TOTAL OPERATING EXPENSES	 8,372,727	 6,203,969	 2,168,758	 25.9%
 OPERATING PROFIT	 1,480,502	 2,238,473	 757,971	 51.2%
 <u>MISCELLANEOUS INCOME & (EXPENSE)</u>				
Interest Income-Operating Accounts (419)	35,417	26,377	(9,039)	-25.5%
Interest Income-Debt Accounts (419)	102,917	156,111	53,195	51.7%
Misc Income/Contributed Capital (421)	302,083	8,565	(293,519)	-97.2%
Other Income (415, 416, 471, 472, 474)	178,755	64,781	(113,973)	-63.8%
Covid - 19 expenses (880's)	-	(175,967)	(175,967)	XXX
TOTAL MISC INCOME & (EXPENSE)	619,171	79,868	(539,303)	-87.1%
 INTEREST EXPENSE (427, 428, 429)	 611,550	 587,737	 23,814	 3.9%
 NET INCOME (LOSS)	 \$ 1,488,123	 \$ 1,730,604	 \$ 242,482	 16.3%



Report to the
Water Utility Commission
of the City of Green Bay

MEETING DATE

July 13, 2020

PREPARED BY

AGENDA ITEM # E.I

General Manager's Update

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

None