

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND  
STORMWATER UTILITIES**

Enterprise Funds of the  
City of Whitewater, Wisconsin

**FINANCIAL STATEMENTS**

December 31, 2013 and 2012

**Whitewater Municipal Water, Stormwater and Wastewater Utilities**  
Enterprise Funds of the City of Whitewater, Wisconsin

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December 31, 2013 and 2012

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Certified Public Accountants

406 Science Drive, Suite 100 ▲ Madison, Wisconsin 53711-1097 ▲ TEL 608-274-2002 ▲ FAX 608-274-4320

## INDEPENDENT AUDITOR'S REPORT

April 15, 2014

To the City Council  
Whitewater Municipal Water, Wastewater, and Stormwater Utilities  
Whitewater, Wisconsin

We have audited the accompanying financial statements of the Whitewater Municipal Water, Wastewater, and Stormwater Utilities, enterprise funds of the City of Whitewater, Wisconsin, as of the years ended December 31, 2013 and 2012, which collectively comprise the utilities' basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### *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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 opinions.



### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Whitewater Municipal Water, Wastewater, and Stormwater Utilities, enterprise funds of the City of Whitewater, Wisconsin, as of the years ended December 31, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Whitewater Municipal Water, Wastewater, and Stormwater Utilities enterprise funds and are not intended to present fairly the financial position of the City of Whitewater, Wisconsin, and the changes in its financial position and its cash flows in conformity with accounting principles generally accepted in the United States of America.

### ***New Accounting Policy***

As discussed in Note 1 to the financial statements, in 2012, the Whitewater Municipal Water, Wastewater, and Stormwater Utilities adopted new accounting guidance. Our opinion is not modified with respect to this matter.

### ***Report on Required Supplementary Information***

Whitewater Municipal Water, Wastewater, and Stormwater Utilities has not presented the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We note the significant financial events of the Whitewater Municipal Water, Wastewater, and Stormwater Utilities are included in the Management's Discussion and Analysis of the City of Whitewater financial statements.

### ***Report on Supplemental Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Whitewater Municipal Water, Wastewater, and Stormwater Utilities of the City of Whitewater, Wisconsin's financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
Certified Public Accountants  
Madison, Wisconsin

## **WATER UTILITY**

**WHITEWATER MUNICIPAL WATER UTILITY**  
**Whitewater, WI**

**Statements of Net Position**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 803,873	\$ 952,426
Receivables		
Accounts	139,571	143,491
Interest	4,480	4,480
Due from Other Funds	27,832	28,295
Inventories	12,356	12,356
Total Current Assets	988,112	1,141,048
Restricted:		
Restricted Cash	415,961	435,789
Total Restricted Assets	415,961	435,789
Capital Assets:		
Land and Improvements	17,573,421	17,368,220
Less Accumulated Depreciation	(5,671,034)	(5,273,099)
Net Capital Assets	11,902,387	12,095,121
Noncurrent Assets:		
Special Assessments	1,426	1,901
Total Noncurrent Assets	1,426	1,901
Total Assets	\$ 13,307,886	\$ 13,673,859

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL WATER UTILITY**  
**Whitewater, WI**

**Statements of Net Position**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 18,139	\$ 33,536
Accrued Liabilities	9,237	5,426
Accrued Interest Payable	14,287	11,208
Due to Other Funds	24,110	16,128
Compensated Absences	26,688	22,523
Current Portion of Long-Term Debt:	410,710	400,710
Total Current Liabilities	503,171	489,531
Non-Current Liabilities:		
Long-Term Debt		
Notes and Bonds Payable	1,928,166	2,338,876
Total Long-Term Debt	1,928,166	2,338,876
Other Liabilities		
Compensated Absences	61,255	50,259
Total Other Liabilities	61,255	50,259
Total Non-Current Liabilities	1,989,421	2,389,135
Total Liabilities	2,492,592	2,878,666
<b>NET POSITION</b>		
Net Investment in Capital Assets	9,829,563	9,621,587
Restricted	135,622	158,529
Unrestricted	850,109	1,015,077
Total Net Postion	10,815,294	10,795,193
Total Liabilities and Position	\$ 13,307,886	\$ 13,673,859

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL WATER UTILITY**  
**Whitewater, WI**

**Statements of Revenues, Expenses and Changes in Fund Net Position**  
**For the Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 1,706,404	\$ 1,885,641
Total Operating Revenues	1,706,404	1,885,641
 <b>OPERATING EXPENSES</b>		
Operation and Maintenance	972,461	907,403
Depreciation	382,285	375,521
Total Operating Expenses	1,354,746	1,282,924
Operating Income (Loss)	351,658	602,717
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest and Investment Revenue	1,399	2,025
Miscellaneous Non-Operating Revenue	1,113	730
Interest Expense	(70,371)	(60,528)
Total Non-Operating Revenue (Expenses)	(67,859)	(57,773)
Income (Loss) Before Contributions and Transfers	283,799	544,944
 Special Item - Refund of Prior Years' Revenue	(32,851)	-
 Capital Contributions	475	3,675
Capital Contributions transferred in from City	57,779	-
Transfers Out (Tax Equivalent)	(289,101)	(276,974)
Change in Net Position	20,101	271,645
Total Net Position - Beginning (Restated)	10,795,193	10,523,548
Total Net Position - Ending	\$ 10,815,294	\$ 10,795,193

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL WATER UTILITY**  
**Whitewater, WI**

**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers	\$ 1,710,324	\$ 1,918,657
Payments to suppliers	(539,294)	(615,228)
Payments to employees	(431,611)	(427,471)
Taxes paid	(289,101)	(276,974)
Net cash provided (used) by operating activities	450,318	598,984
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Proceeds of special assessments	475	475
Acquisition and construction of plant assets	(152,571)	(567,128)
Proceeds of debt	-	855,000
Principal payments on long-term debt	(400,710)	(350,710)
Interest paid	(67,292)	(61,999)
Net cash provided (used) by capital and related financing activities	(620,098)	(124,362)
<u>Cash Flows From Investing Activities:</u>		
Interest on investments	1,399	2,025
Net cash provided from investing activities	1,399	2,025
Net increase (decrease) in cash and equivalents	(168,381)	476,647
Cash and equivalents - beginning of year	1,358,215	881,568
Cash and equivalents - end of year	\$ 1,189,834	\$ 1,358,215
<u>Noncash Capital and Related Financing Activities:</u>		
City financed additions to utility plant	\$ 58,254	\$ 3,675

See accompanying notes to the basic financial statements.

**WHITEWATER MUNICIPAL WATER UTILITY**  
Whitewater, WI

**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

<b>Reconciliation of operating income (loss) to net cash</b>	<b>2013</b>	<b>2012</b>
<b>provided (used) by operating activities</b>	<u>                    </u>	<u>                    </u>
Operating income	\$ 318,807	\$ 602,717
Prior period adjustment	-	(42,474)
Joint meter	21,274	21,274
Cash Provided by Operating Activities:		
Amortization	-	42,474
Depreciation	382,285	396,795
Transfer out (tax equivalent)	(289,101)	(276,974)
Changes in Assets and Liabilities:		
Customer accounts receivable	3,920	33,016
Due from/to other funds	8,445	(193,937)
Material & supplies	-	(765)
Other	1,113	730
Accounts payable	(15,397)	26,579
Accrued liabilities	18,972	(10,451)
Net cash provided (used) by operating activities	<u>\$ 450,318</u>	<u>\$ 598,984</u>

**Reconciliation of cash and cash equivalents to statements**

<b>of net assets accounts</b>		
Cash and cash equivalents	\$ 803,873	\$ 952,426
Restricted Cash	<u>415,961</u>	<u>435,789</u>
Total cash and investments	1,219,834	1,388,215
Less: Noncash equivalents	<u>(30,000)</u>	<u>(30,000)</u>
Cash and Cash Equivalents	<u>\$ 1,189,834</u>	<u>\$ 1,358,215</u>

See accompanying notes to the basic financial statements.

## **WASTEWATER UTILITY**

**WHITEWATER MUNICIPAL WASTEWATER UTILITY**  
**Whitewater, WI**

**Statements of Net Position**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,324,625	\$ 1,311,831
Receivables		
Accounts	220,850	228,852
Interest	1,559	1,559
Total Current Assets	1,547,034	1,542,242
Restricted:		
Restricted Cash and Cash Equivalents	2,680,226	2,658,621
Total Restricted Assets	2,680,226	2,658,621
Capital Assets:		
Land and Improvements	39,935,987	39,716,958
Less Accumulated Depreciation	(22,794,245)	(21,657,067)
Net Capital Assets	17,141,742	18,059,891
Total Assets	\$ 21,369,002	\$ 22,260,754

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL WASTEWATER UTILITY**  
**Whitewater, WI**

**Statements of Net Position**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 19,597	\$ 9,552
Accrued Liabilities	21,058	16,497
Accrued Interest Payable	21,677	20,950
Due to Other Funds	33,832	29,130
Compensated Absences	37,735	32,953
Current Portion of Long-Term Debt	585,215	565,432
Total Current Liabilities	719,114	674,514
Non-Current Liabilities:		
Long-Term Debt		
Capital Lease Obligation	13,476	18,561
Compensated Absences	51,252	42,834
Notes Payable	61,834	91,124
Bonds and Loans Payable	4,857,969	5,361,307
Total Long-Term Debt	4,984,531	5,513,826
Total Liabilities	5,703,645	6,188,340
<b>NET POSITION</b>		
Net Investment in Capital Assets	11,864,809	12,269,547
Restricted	2,435,549	2,384,671
Unrestricted	1,364,999	1,418,196
Total Net Position	15,665,357	16,072,414
Total Liabilities and Net Position	\$ 21,369,002	\$ 22,260,754

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL WASTEWATER UTILITY**  
Whitewater, WI

**Statements of Revenues, Expenses and Changes in Fund Net Position**  
**For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 2,301,153	\$ 2,296,128
Total Operating Revenues	<u>2,301,153</u>	<u>2,296,128</u>
<b>OPERATING EXPENSES</b>		
Operation and Maintenance	1,342,542	1,259,724
Depreciation	1,158,826	1,031,168
Total Operating Expenses	<u>2,501,368</u>	<u>2,290,892</u>
Operating Income (Loss)	<u>(200,215)</u>	<u>5,236</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest and Investment Revenue	5,684	6,278
Miscellaneous Non-Operating Revenue	1,300	36,205
Interest Expense	(152,922)	(133,343)
Total Non-Operating Revenue (Expenses)	<u>(145,938)</u>	<u>(90,860)</u>
Income (Loss) Before Contributions and Transfers	<u>(346,153)</u>	<u>(85,624)</u>
Special Item - Refund of Prior Years' Revenue	(131,346)	-
Capital Contributions	60,192	26,886
Capital Contributions transferred in from City	10,250	-
Change in Net Position	<u>(407,057)</u>	<u>(58,738)</u>
Total Net Position - Beginning (Restated)	<u>16,072,414</u>	<u>16,131,152</u>
Total Net Position - Ending	<u>\$ 15,665,357</u>	<u>\$ 16,072,414</u>

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL WASTEWATER UTILITY**  
Whitewater, WI

**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

	2013	2012
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers	\$ 2,309,155	\$ 2,316,578
Payments to suppliers	(661,322)	(320,038)
Payments to employees	(800,034)	(758,242)
Net cash provided (used) by operating activities	847,799	1,238,298
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Acquisition and construction of plant assets	(209,153)	(1,349,318)
Proceeds of debt	47,502	2,200,566
Principal payments on long-term debt	(565,430)	(432,566)
Interest paid	(152,195)	(131,828)
Capital grants	60,192	26,888
Net cash provided (used) by capital and related financing activities	(819,084)	313,742
<u>Cash Flows From Investing Activities:</u>		
Interest on investments	5,684	6,278
Net cash provided (used) by investing activities	5,684	6,278
Net increase (decrease) in cash and equivalents	34,399	1,558,318
Cash and equivalents - beginning of year	3,680,202	2,121,884
Cash and equivalents - end of year	\$ 3,714,601	\$ 3,680,202
<u>Noncash capital and related Financing Activities:</u>		
City financed additions to utility plant	\$ 10,250	\$ -

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL WASTEWATER UTILITY**  
Whitewater, WI

**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>	2013	2012
Operating income (loss)	\$ (331,561)	\$ 5,236
Prior period adjustment	-	(17,442)
Joint meter	(21,274)	(21,274)
Cash Provided by Operating Activities:		
Amortization	-	17,442
Depreciation	1,158,826	1,031,168
Changes in Assets and Liabilities:		
Customer accounts receivable	8,002	20,450
Due from/to other funds	4,702	180,248
Other assets	1,300	36,203
Accounts payable	10,043	1,015
Accrued liabilities	17,761	(14,748)
Net cash provided (used) by operating activities	\$ 847,799	\$ 1,238,298

**Reconciliation of cash and cash equivalents to statements  
of net assets accounts**

Cash and cash equivalents	\$ 1,324,625	\$ 1,311,831
Restricted Cash	2,680,226	2,658,621
Total cash and investments	4,004,851	3,970,452
Less: Noncash equivalents	(290,250)	(290,250)
Cash and Cash Equivalents	\$ 3,714,601	\$ 3,680,202

See accompanying notes to the financial statements.

**STORMWATER UTILITY**

**WHITEWATER MUNICIPAL STORMWATER UTILITY**  
**Whitewater, WI**

**Statements of Net Position**  
**December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 304,061	\$ 232,986
Receivables		
Accounts	42,295	23,432
Total Current Assets	<u>346,356</u>	<u>256,418</u>
Capital Assets:		
Utility Plant	3,702,246	3,569,449
Less Accumulated Depreciation	<u>(247,301)</u>	<u>(201,111)</u>
Net Capital Assets	<u>3,454,945</u>	<u>3,368,338</u>
Total Assets	<u>\$ 3,801,301</u>	<u>\$ 3,624,756</u>

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL STORMWATER UTILITY**  
**Whitewater, WI**

**Statements of Net Position**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 19,123	\$ 5,462
Accrued Liabilities	600	400
Accrued Interest Payable	1,806	-
Due to Other Funds	38,954	1,012
Compensated Absences	9,169	8,028
Total Current Liabilities	69,652	14,902
Non-Current Liabilities:		
Compensated Absences	20,596	15,581
Notes Payable	455,000	455,000
Total Other Liabilities	475,596	470,581
Total Liabilities	545,248	485,483
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,999,945	2,913,338
Unrestricted	256,108	225,935
Total Net Position	3,256,053	3,139,273
Total Liabilities and Net Position	\$ 3,801,301	\$ 3,624,756

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL STORMWATER UTILITY**  
**Whitewater, WI**

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 412,803	\$ 333,574
Total Operating Revenues	412,803	333,574
 <b>OPERATING EXPENSES</b>		
Operation and Maintenance	277,258	256,249
Depreciation	49,084	46,199
Total Operating Expenses	326,342	302,448
Operating Income (Loss)	86,461	31,126
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Miscellaneous Revenues	-	690
Interest Expense	(15,771)	(1,131)
Total Non-Operating Revenue (Expenses)	(15,771)	(441)
Income (Loss) Before Contributions and Transfers	70,690	30,685
 Capital Contributions transferred in from City	67,590	56,451
Transfers Out	(21,500)	(19,000)
Change in Net Position	116,780	68,136
Total Net Position - Beginning	3,139,273	3,071,137
Total Net Position - Ending	\$ 3,256,053	\$ 3,139,273

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL STORMWATER UTILITY**  
**Whitewater, WI**

**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

	2013	2012
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers	\$ 393,940	\$ 343,652
Payments to suppliers	(65,291)	(94,288)
Payments to employees	(192,302)	(178,825)
Net cash provided (used) by operating activities	136,347	70,539
 <u>Cash Flows From Capital and Related Financing Activities:</u>		
Acquisition and construction of plant assets	(51,307)	(250,184)
Proceeds of debt	-	228,000
Interest paid	(13,965)	(1,131)
Net cash provided for (used by) for capital and related financing activities	(65,272)	(23,315)
Net increase (decrease) in cash and equivalents	71,075	47,224
Cash and equivalents - beginning of year	232,986	185,762
Cash and equivalents - end of year	\$ 304,061	\$ 232,986
 <u>Noncash capital and related Financing Activities:</u>		
Plant additions financed through accounts payable	\$ 16,794	\$ -
City financed additions to utility plant	\$ 67,590	\$ 56,451

See accompanying notes to the financial statements.

**WHITEWATER MUNICIPAL STORMWATER UTILITY**  
Whitewater, WI

**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

<b>Reconciliation of operating income (loss) to net cash</b>	2013	2012
<b>provided (used) by operating activities</b>		
Operating income (loss)	\$ 86,461	\$ 31,126
Adjustments to Reconcile Operating Income (Loss) to Net Assets		
Cash Provided by Operating Activities:		
Miscellaneous	-	690
Depreciation	49,084	46,199
Transfer out	(21,500)	(19,000)
Changes in Assets and Liabilities:		
Customer accounts receivable	(18,863)	10,078
Due from/to other funds	37,942	203
Accounts payable	(3,133)	4,257
Accrued liabilities	6,356	(3,014)
Net cash provided for (used by) by operating activities	\$ 136,347	\$ 70,539
 <b>Reconciliation of cash and cash equivalents to statements</b>		
<b>of net assets accounts</b>		
Cash and cash equivalents	\$ 304,061	\$ 232,986
Total cash and investments	304,061	232,986
 Cash and Cash Equivalents	\$ 304,061	\$ 232,986

See accompanying notes to the financial statements.

# WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER UTILITIES

## Notes to Financial Statements December 31, 2013 and 2012

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### 1. Summary of Significant Accounting Policies

The financial statements of Whitewater Municipal Water, Stormwater, and Wastewater Utilities (utilities) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The financial statements present only the Whitewater Municipal Water, Wastewater, and Stormwater Utilities enterprise funds and are not intended to present fairly the financial position of the City of Whitewater, Wisconsin. 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 utilities are described below.

#### A. Reporting Entity

The utilities are separate enterprise funds of the City of Whitewater (municipality). The utilities are managed by a city council. The utilities provide water, wastewater treatment and stormwater service to properties within the municipality.

The water utility operates under service rules and rates established by the Public Service Commission of Wisconsin (PSCW). The wastewater and stormwater utility operates under rules and rates established by the city council.

#### B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The utilities are presented as enterprise funds of the municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and deferred outflows of resources, and liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The utilities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**1. Summary of Significant Accounting Policies (Continued)**

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)**

**New Accounting Pronouncements**

Effective January 1, 2012, the utilities implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This Statement amends the net assets reporting requirements in Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Effective January 1, 2012, the utilities also implemented GASB Statement No. 65, *Reporting Items Previously Recognized as Assets and Liabilities*. GASB Statement No. 65 defines deferred outflows and deferred inflows of resources, which are to be separated from assets and liabilities under GASB 63. The financial statement effect of implementing these standards resulted in a restatement of net position. See Note 11.

# WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER UTILITIES

## Notes to Financial Statements December 31, 2013 and 2012

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### 1. Summary of Significant Accounting Policies (Continued)

#### C. Assets, Liabilities and Net Position

##### 1) Deposits and Investments

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

Investments of the utilities' funds are restricted by state statutes. Investments are limited to:

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than three years;
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district or school district of this State;
- (4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- (5) Bonds or securities issued under the authority of the municipality;
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
- (7) Agreements in which a public depository agrees to repay funds advanced to it by the Board, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- (9) Repurchase agreements with public depositories, with certain conditions.
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority.

The utilities have adopted an investment policy. The policy follows the state statutes for allowable investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**C. Assets, Liabilities and Net Position (Continued)**

**2) Receivables/Payables**

Transactions between the utilities and other funds of the municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds. All other outstanding balances between the utilities and other funds of the municipality are reported as due to/from other funds.

The utilities have the right under Wisconsin statutes to place delinquent utility bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

**3) Materials and Supplies**

Materials and supplies are generally used for construction, operation and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and charged to construction or expense when used.

**4) Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

**5) Special Assessments Receivable**

The account represents the balances of special assessments levied against property owners for infrastructure improvements. The balances are receivable over various time periods with interest accrued annually.

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

---

**C. Assets, Liabilities and Net Position (Continued)**

**6) Capital Assets**

Capital assets are generally defined by the utilities as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets of the utilities are recorded at cost or the fair market value at the time of contribution to the utilities. Major outlays for utility plant are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets in service are depreciated using the straight-line method over the following useful lives:

	Years
Water Plant	
Source of supply	31-56
Pumping	23-31
Water treatment	30-31
Transmission and distribution	18-77
General	4-34
Wastewater Plant	
Collecting system	50-100
Treatment and disposal	15-40
General	4-40

**Stormwater Plant**

Stormwater infrastructure is depreciated at varying rates. Average useful life is approximately 74 years.

**7) Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from general operating revenues of the utilities.

**8) Long-Term Obligations**

Long-term debt and other obligations are reported as utility liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**C. Assets, Liabilities and Net Position (Continued)**

**9) Revenues and Expenses**

The utilities 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 the utility's principal ongoing operations. The principal operating revenues of the utilities are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**10) Charges for Services**

Billings are rendered and recorded quarterly based on metered usage. The utilities do not accrue revenues beyond billing dates.

Current water rates were approved by the PSCW on November 23, 2011.

Current wastewater rates and stormwater rates were approved by the city council.

**11) Capital Contributions**

Cash and capital assets are contributed in the utilities from customers, the municipality or external parties. The values of property contributed to the utilities are reported as revenue on the statements of revenues, expenses and changes in net assets.

**12) Connection Fees**

The wastewater utility charges new customers a connection fee to connect to the system. Fees collected are recorded as capital contributions on the statements of revenues, expenses and changes in net assets.

**13) Transfers**

Transfers include the payment in lieu of taxes to the municipality.

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**2. Deposits and Investments**

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and \$250,000 for non interest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund (SDGF) in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recover of material principal losses may not be significant to individual municipalities.

The utilities may also maintain separate cash and investment accounts at the same financial institutions utilized by the municipality. Federal depository insurance and the State of Wisconsin Guarantee Fund Insurance apply to all municipal accounts, and accordingly, the amount of insured funds is not determinable for the utilities alone. Investment income on commingled investments of the entire municipality is allocated based on average investment balances.

Investment insurance coverage of the FDIC and SDGF apply to the municipality's total investments. Therefore, coverage for the utilities may be reduced.

**Custodial Credit Risk**

**Deposits:**

Custodial credit risk is the risk that in the event of a financial institution failure, the utilities' deposits may not be returned to the utilities. The utilities maintain certain deposits at the same institutions as the municipality. The custodial credit risk pertaining specifically to the utilities' resources at those institutions cannot be determined individually for those accounts.

The following is a summary of the utilities' total deposit balances at these institutions:

	<u>2013</u>	<u>2012</u>
	Carrying	Carrying
	Value	Value
Deposits in local financial institutions	<u>\$ 5,528,746</u>	<u>\$ 5,591,653</u>
Deposits exposed to custodial credit risk	<u>\$ 5,528,746</u>	<u>\$ 5,591,653</u>

The bank balance of the deposits varies with carrying value. The bank balance was not listed since many of the cash accounts are co-mingled with other City funds. The custodial credit risk applies to the City as a whole and not specifically with utilities. Accordingly, the City's financial statements should be read in conjunction with the utilities.

# WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER UTILITIES

## Notes to Financial Statements December 31, 2013 and 2012

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### 2. Deposits and Investments (Continued)

#### Investments:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the utilities will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The utilities do not have any investments exposed to custodial credit risk.

The utilities' investment policy does not address this risk.

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

The utilities do not have any investments exposed to credit risk.

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment.

The utilities do not have any investments exposed to interest rate risk.

### Reconciliation to the Financial Statements

A reconciliation of the cash and investments to the financial statements:

	2013	2012
Carrying value of deposits	<u>\$ 5,528,746</u>	<u>\$ 5,591,653</u>
	<u>\$ 5,528,746</u>	<u>\$ 5,591,653</u>
Cash and cash equivalents water	\$ 803,873	\$ 952,426
Cash and cash equivalents wastewater	1,324,625	1,311,831
Restricted cash water	415,961	435,789
Restricted cash wastewater	2,680,226	2,658,621
Cash and cash equivalents stormwater	304,061	232,986
	<u>\$ 5,528,746</u>	<u>\$ 5,591,653</u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**3. Interfund Receivables/Payables and Transfers**

The following is a schedule of interfund balances for the years ending December 31, 2013 and 2012:

Due To	Due From	2013		2012	
		Amount	Principal Purpose	Amount	Principal Purpose
Water	Wastewater	\$ 27,832	General operations	\$ 27,630	General operations
Municipality	Water	\$ 27,105	General operations	\$ 16,128	General operations
Municipality	Wastewater	\$ 6,000	General operations	\$ 1,500	General operations
Municipality	Stormwater	\$ 17,454	Operations	\$ 1,012	Operation equipment
Municipality	Stormwater	\$ 21,500	Equipment	\$ -	

The following is a schedule of transfer balances for the years ending December 31, 2013 and 2012:

Transfer to	Transfer from	2013		2012	
		Amount	Principal Purpose	Amount	Principal Purpose
Municipality	Water	\$ 292,096	Tax equivalent	\$ 276,974	Tax equivalent
Water	Municipality	\$ 57,779	Capital contributions	\$ -	
Wastewater	Municipality	\$ 10,250	Capital contributions	\$ -	
Municipality	Stormwater	\$ 21,500	Operations equipment	\$ 19,000	Operations equipment
Stormwater	Municipality	\$ 67,590	Capital contributions	\$ 56,451	Capital contributions

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**4. Restricted Assets**

**Revenue Bond Accounts**

Certain proceeds of the utilities' revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The following revenue bond accounts are reported as restricted assets:

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

**Replacement Account**

As a condition of receiving state and federal funds for wastewater plant construction, the utilities have established an account for replacement of certain mechanical equipment.

**Restricted Net Position**

The following calculation supports the amount of water restricted net position:

	2013	2012
Restricted Assets		
Redemption account	\$ 149,909	\$ 169,737
Reserve account	266,052	266,052
Total Restricted Assets	415,961	435,789
Less: Restricted Assets Not Funded by Revenues		
Reserve from borrowing	(266,052)	(266,052)
Current Liabilities Payable From Restricted Assets	(14,287)	(11,208)
Total Restricted Net Position as Calculated	\$ 135,622	\$ 158,529

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**4. Restricted Assets (Continued)**

The following calculation supports the amount of wastewater restricted net position:

	<u>2013</u>	<u>2012</u>
Restricted Assets		
Redemption account	\$ 507,864	\$ 344,242
Reserve account	223,000	223,000
Depreciation account	25,000	25,000
Connection account	306,988	276,568
Replacement account	1,617,374	1,759,811
Total Restricted Assets	<u>2,680,226</u>	<u>2,628,621</u>
 Less: Restricted Assets Not Funded by Revenues		
Reserve from borrowing	<u>(223,000)</u>	<u>(223,000)</u>
 Current Liabilities Payable From Restricted Assets	<u>(21,677)</u>	<u>(20,950)</u>
 Total Restricted Net Position as Calculated	<u><u>\$ 2,435,549</u></u>	<u><u>\$ 2,384,671</u></u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**5. Changes in Capital Assets**

**Water Utility**

A summary of changes in water capital assets for 2013 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 6,727	\$ -	\$ -	\$ 6,727
Total Capital Assets Not Being Depreciated	<u>6,727</u>	<u>-</u>	<u>-</u>	<u>6,727</u>
Capital assets being depreciated				
Source of supply	633,563	-	-	633,563
Pumping	1,185,927	11,979	-	1,197,906
Water treatment	1,458,742	-	-	1,458,742
Transmission and distribution	13,659,048	185,646	5,624	13,839,070
Administrative and general assets	<u>424,213</u>	<u>13,200</u>	<u>-</u>	<u>437,413</u>
Total Capital Assets Being Depreciated	<u>17,361,493</u>	<u>210,825</u>	<u>5,624</u>	<u>17,566,694</u>
Total Capital Assets	<u>17,368,220</u>	<u>210,825</u>	<u>5,624</u>	<u>17,573,421</u>
Less: Accumulated depreciation	<u>5,273,099</u>	<u>403,559</u>	<u>5,624</u>	<u>5,671,034</u>
Net Capital Assets	<u>\$ 12,095,121</u>	<u>\$ (192,734)</u>	<u>\$ -</u>	<u>\$ 11,902,387</u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**5. Changes in Capital Assets (Continued)**

A summary of changes in water capital assets for 2012 follows:

<u>Water</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land and land rights	\$ 6,727	\$ -	\$ -	\$ 6,727
Total Capital Assets Not Being Depreciated	<u>6,727</u>	<u>-</u>	<u>-</u>	<u>6,727</u>
Capital assets being depreciated				
Source of supply	633,563	-	-	633,563
Pumping	1,185,927	-	-	1,185,927
Water treatment	1,458,742	-	-	1,458,742
Transmission and distribution	13,137,654	542,969	21,575	13,659,048
Administrative and general assets	417,653	6,560	-	424,213
Total Capital Assets Being Depreciated	<u>16,833,539</u>	<u>549,529</u>	<u>21,575</u>	<u>17,361,493</u>
Total Capital Assets	<u>16,840,266</u>	<u>549,529</u>	<u>21,575</u>	<u>17,368,220</u>
Less: Accumulated depreciation	<u>4,897,879</u>	<u>396,795</u>	<u>21,575</u>	<u>5,273,099</u>
Net Capital Assets	<u>\$ 11,942,387</u>	<u>\$ 152,734</u>	<u>\$ -</u>	<u>\$ 12,095,121</u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**5. Changes in Capital Assets (Continued)**

**Wastewater Utility**

A summary of changes in wastewater capital assets for 2013 follows:

<u>Wastewater</u>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Construction in progress	\$ 560,542	\$ -	\$ 560,542	\$ -
Land and land rights	168,179	-	-	168,179
Total Capital Assets Not Being Depreciated	<u>728,721</u>	<u>-</u>	<u>560,542</u>	<u>168,179</u>
Capital Assets Being Depreciated				
Collection system	12,685,414	171,901	374	12,856,941
Treatment and disposal	25,305,538	608,044	-	25,913,582
General	997,285	-	-	997,285
Total Capital Assets Being Depreciated	<u>38,988,237</u>	<u>779,945</u>	<u>374</u>	<u>39,767,808</u>
Total Capital Assets	39,716,958	779,945	560,916	39,935,987
Less: Accumulated Depreciation	<u>21,657,067</u>	<u>1,137,552</u>	<u>374</u>	<u>22,794,245</u>
Net Capital Assets	<u>\$ 18,059,891</u>	<u>\$ (357,607)</u>	<u>\$ 560,542</u>	<u>\$ 17,141,742</u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**5. Changes in Capital Asset (Continued)**

A summary of changes in wastewater capital assets for 2012 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Wastewater</u>				
Capital Assets Not Being Depreciated				
Construction in progress	\$ 5,362,796	\$ 574,945	5,377,199	\$ 560,542
Land and land rights	168,179	-	-	168,179
Total Capital Assets Not Being Depreciated	<u>5,530,975</u>	<u>574,945</u>	<u>5,377,199</u>	<u>728,721</u>
Capital Assets Being Depreciated				
Collection system	12,009,626	701,635	25,847	12,685,414
Treatment and disposal	19,895,458	5,410,080	-	25,305,538
General	957,428	39,857	-	997,285
Total Capital Assets Being Depreciated	<u>32,862,512</u>	<u>6,151,572</u>	<u>25,847</u>	<u>38,988,237</u>
Total Capital Assets	38,393,487	6,726,517	5,403,046	39,716,958
Less: Accumulated Depreciation	<u>20,673,020</u>	<u>1,009,894</u>	<u>25,847</u>	<u>21,657,067</u>
Net Capital Assets	<u><u>\$ 17,720,467</u></u>	<u><u>\$ 5,716,623</u></u>	<u><u>\$ 5,377,199</u></u>	<u><u>\$ 18,059,891</u></u>

**Stormwater Utility**

A summary of changes in stormwater capital assets for 2013 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Stormwater</u>				
Capital Assets Being Depreciated				
Infrastructure	\$ 3,569,449	\$ 135,691	\$ 2,894	\$ 3,702,246
Less: Accumulated depreciation	<u>201,111</u>	<u>49,084</u>	<u>2,894</u>	<u>247,301</u>
Net Capital Assets	<u><u>\$ 3,368,338</u></u>	<u><u>\$ 86,607</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,454,945</u></u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**5. Changes in Capital Asset (Continued)**

A summary of changes in stormwater capital assets for 2012 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Stormwater</u>				
Capital Assets Being Depreciated				
Infrastructure	\$ 3,274,910	\$ 306,635	\$ 12,096	\$ 3,569,449
Less: Accumulated depreciation	<u>167,008</u>	<u>46,199</u>	<u>12,096</u>	<u>201,111</u>
Net Capital Assets	<u><u>\$ 3,107,902</u></u>	<u><u>\$ 260,436</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,368,338</u></u>

**6. Long-Term Obligations**

**Long-Term Obligations Summary – Water**

Long term debt activity for the year ended December 31, 2013 for the water utility is as follows:

	<u>Balance 1/01/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2013</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 2,490,000	\$ -	\$ 340,000	\$ 2,150,000	\$ 350,000
GO Notes	249,586	-	60,710	188,876	60,710
Vested Compensated Absences	50,259	10,996	-	61,255	-
Total Other Liabilities	<u><u>\$ 2,789,845</u></u>	<u><u>\$ 10,996</u></u>	<u><u>\$ 400,710</u></u>	<u><u>\$ 2,400,131</u></u>	<u><u>\$ 410,710</u></u>

Long-term debt activity for the year ended December 31, 2012 for the water utility is as follows:

	<u>Balance 1/01/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 1,925,000	\$ 855,000	\$ 290,000	\$ 2,490,000	\$ 340,000
GO Notes	310,296	-	60,710	249,586	60,710
Vested Compensated Absences	56,210	-	5,951	50,259	-
Total Other Liabilities	<u><u>\$ 2,291,506</u></u>	<u><u>\$ 855,000</u></u>	<u><u>\$ 356,661</u></u>	<u><u>\$ 2,789,845</u></u>	<u><u>\$ 400,710</u></u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**6. Long-Term Obligations (Continued)**

**Long-Term Obligations Summary – Wastewater**

Long-term debt activity for the year ended December 31, 2013 for the wastewater utility is as follows:

	Balance 1/01/2013	Additions	Reductions	Balance 12/31/2013	Due Within One Year
Revenue Bonds	\$ 5,892,929	\$ 47,502	\$ 531,622	\$ 5,408,809	\$ 550,840
GO Notes	120,414	-	29,290	91,124	29,290
Capital Lease	23,081	-	4,520	18,561	5,085
Vested Compensated Absences	42,834	8,418	-	51,252	-
Total Other Liabilities	<u>\$ 6,079,258</u>	<u>\$ 55,920</u>	<u>\$ 565,432</u>	<u>\$ 5,569,746</u>	<u>\$ 585,215</u>

Long-term debt activity for the year ended December 31, 2012 for the wastewater utility is as follows:

	Balance 1/01/2012	Additions	Reductions	Balance 12/31/2012	Due Within One Year
Revenue Bonds	\$ 4,091,637	\$ 2,200,567	\$ 399,275	\$ 5,892,929	\$ 531,622
GO Notes	149,704	-	29,290	120,414	29,290
Capital Lease	27,082	-	4,001	23,081	4,520
Vested Compensated Absences	52,039	-	9,205	42,834	-
Total Other Liabilities	<u>\$ 4,320,462</u>	<u>\$ 2,200,567</u>	<u>\$ 441,771</u>	<u>\$ 6,079,258</u>	<u>\$ 565,432</u>

**Long-Term Obligations Summary – Stormwater**

Long-term debt activity for the year ended December 31, 2013 for the stormwater utility is as follows:

	Balance 1/01/2013	Additions	Reductions	Balance 12/31/2013	Due Within One Year
GO Refunding Bonds	\$ 455,000	\$ -	\$ -	\$ 455,000	\$ -
Vested Compensated Absences	15,581	5,015	-	20,596	-
Total Other Liabilities	<u>\$ 470,581</u>	<u>\$ 5,015</u>	<u>\$ -</u>	<u>\$ 475,596</u>	<u>\$ -</u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**6. Long-Term Obligations (Continued)**

**Long-Term Obligations Summary – Stormwater (Continued)**

Long-term debt activity for the year ended December 31, 2012 for the stormwater utility is as follows:

	<u>Balance 1/01/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>	<u>Due Within One Year</u>
GO Refunding Bonds and GO Notes	\$ 227,000	\$ 455,000	\$ 227,000	\$ 455,000	\$ -
Vest Compensated Absences	18,454	-	2,873	15,581	-
Total Other Liabilities	<u>\$ 227,000</u>	<u>\$ 455,000</u>	<u>\$ 227,000</u>	<u>\$ 455,000</u>	<u>\$ -</u>

**Long-term Debt – Water**

The following are water debt issues outstanding:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/13</u>
<b>Water Utility</b>					
2010 Mortgage Revenue Bonds	9/7/2010	10/1/2015	2.0%	\$ 1,215,000	\$ 505,000
2011 Mortgage Revenue Bonds	6/7/2011	10/1/2026	1.6-4.0%	940,000	840,000
2012 Mortgage Revenue Bonds	5/17/2012	10/1/2027	0.85-2.85%	855,000	805,000
		Total Water Utility Revenue Bonds			<u>2,150,000</u>
2010 GO Promissory Note	2/9/2010	12/1/2016	1.2-2.7%	428,343	188,876
		Total Water Utility Long-Term Debt			<u>\$ 2,338,876</u>

Water debt service requirements to maturity are as follows:

<u>Year</u>	<b>Water Totals</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	410,710	60,174	470,884
2015	424,083	52,674	476,757
2016	169,083	44,292	213,375
2017	110,000	40,116	150,116
2018	115,000	37,284	152,284
2019-2023	625,000	137,469	762,469
2024-2027	485,000	36,489	521,489
	<u>\$ 2,338,876</u>	<u>\$ 408,498</u>	<u>\$ 2,747,374</u>

Substantially all utility plant is subject to a mortgage lien until the bonds are defeased.

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**6. Long-Term Obligations (Continued)**

**Long-term Debt – Wastewater**

The following wastewater debt issues are outstanding:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/13</u>
<u>Wastewater Utility</u>					
1996 Clean Water Fund Loan	7/24/1996	5/1/2016	3.08%	\$ 1,563,900	\$ 311,505
2009 Clean Water Fund Loan	12/9/2009	5/1/2029	2.91%	784,109	2,476,390
2011 Clean Water Fund Loan	7/27/2011	5/1/2031	2.40%	115,954	585,914
2010 Revenue Bonds	2/9/2010	5/1/2016	2.0-3.25%	1,230,000	640,000
2012 Revenue Bonds	5/17/2012	11/1/2027	0.85-2.85%	1,485,000	<u>1,395,000</u>
	Total Wastewater Utility Revenue Bonds				5,408,809
2010 GO Promissory Note	2/9/2010	12/1/2016	1.2-2.7%	206,657	91,124
Capital Lease	12/1/2005	1/1/2017	3.90%	39,721	<u>18,561</u>
	Total Wastewater Utility Long-Term Debt				<u><u>\$ 5,518,494</u></u>

Wastewater debt service requirements (excluding the capital lease) to maturity are as follows:

<u>Year</u>	<b>Wastewater Totals</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	580,130	139,051	719,181
2015	589,093	124,452	713,545
2016	606,644	108,040	714,684
2017	253,205	95,641	348,846
2018	262,809	89,121	351,930
2019-2023	1,412,816	339,935	1,752,751
2024-2028	1,489,173	141,689	1,630,862
2029-2031	306,063	6,981	313,044
	<u>\$ 5,499,933</u>	<u>\$ 1,044,910</u>	<u>\$ 6,544,843</u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**6. Long-Term Obligations (Continued)**

**Long-term Debt – Wastewater (Continued)**

The capital lease is payable semi-annually with interest at 3.9%. The schedule to retire the capital lease is listed below.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 5,085	\$ 673	\$ 5,758
2015	5,703	469	6,172
2016	6,374	241	6,615
2017	1,399	28	1,427
Total	<u>\$ 18,561</u>	<u>\$ 1,411</u>	<u>\$ 19,972</u>

Substantially all utility plant is subject to a mortgage lien until the bonds are defeased. All utility revenues are pledged as security of the revenue bonds until the bonds are defeased.

**Long-term Debt – Stormwater**

The following stormwater debt issue is outstanding:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/13</u>
<u>Stormwater Utility</u>					
2012 GO Refunding Bonds	5/17/2012	9/1/2031	0.85-3.25%	\$ 455,000	\$ 455,000
			Total Stormwater Utility		<u>\$ 455,000</u>

Stormwater debt service requirements to maturity are as follows:

<u>Year</u>	<b>Stormwater Totals</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	-	10,835	10,835
2015	20,000	10,835	30,835
2016	20,000	10,665	30,665
2017	20,000	10,265	30,265
2018	20,000	9,865	29,865
2019-2023	135,000	42,200	177,200
2024-2024	150,000	25,740	175,740
2029-2031	90,000	5,850	95,850
	<u>\$ 455,000</u>	<u>\$ 126,255</u>	<u>\$ 581,255</u>

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**6. Long-Term Obligations (Continued)**

**Bond Covenant Disclosures**

The following information is provided in compliance with the resolution creating the 2000 revenue bonds:

**Insurance**

The utilities are exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

The utilities are covered under the following insurance policies as of December 31, 2013:

Type	Coverage	
Cities and Villages Mutual Insurance		
General Liability	\$ 10,000,000	BI & PD
Automobile	10,000,000	BI & PD
Workers Compensation	Statutory	
Law Enforcement	10,000,000	
Public Officials	10,000,000	
Employment Liability	1,000,000	
Motor Vehicle Comprehensive –		
Replacement Cost	6,650,837	
Motor Vehicle Collision	6,650,837	
Uninsured Motorist	25,000	
Prior Acts	10,000,000	
Prior Errors & Omission	10,000,000	
Local Government Insurance Fund		
Building/Personal Property/Inland Marine	70,790,468	
Contractors Equipment	2,312,427	
Monies and Securities	10,000	
Employee Tools	52,000	

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**6. Long-Term Obligations (Continued)**

**Debt Coverage – Water**

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.2 times the highest annual debt service of the bonds. The coverage requirement was met as follows:

	2013	2012
Operating revenues	\$ 1,673,553	\$ 1,885,641
Investment income	1,399	2,025
Less: Operation and maintenance expenses	(972,461)	(907,403)
 Net Defined Earnings	 \$ 702,491	 \$ 980,263
 Minimum Required Earnings per Resolution:		
Highest annual debt service revenue bonds	\$ 418,156	\$ 409,406
Coverage factor	1.20	1.20
 Minimum Required Earnings	 \$ 501,787	 \$ 491,287

The water utility increased rates late in 2011.

**Debt Coverage – Wastewater**

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.2 times the highest annual debt service of the bonds. The coverage requirement was met as follows:

	2013	2012
Operating revenues	\$ 2,169,807	\$ 2,296,128
Investment income	5,684	6,277
Connection fees	60,192	25,536
Less: Operation and maintenance expenses	(1,342,542)	(1,259,724)
 Net Defined Earnings	 \$ 893,141	 \$ 1,068,217
 Minimum Required Earnings per Resolution:		
Highest annual debt service revenue bonds	688,151	705,797
Coverage factor	1.20	1.20
 Minimum Required Earnings	 \$ 825,781	 \$ 846,956

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**6. Long-Term Obligations (Continued)**

**Number of Customers – Water**

The utility has the following number of customers and billed volumes for 2013 and 2012:

	Customers		Sales (000 gals)	
	2013	2012	2013	2012
Residential	3,041	2,960	125,761	135,987
Commercial	385	399	85,591	88,808
Industrial	45	39	223,158	316,061
Public Authority	120	76	77,837	107,210
Totals	<u>3,591</u>	<u>3,474</u>	<u>512,347</u>	<u>648,066</u>

**Number of Customers – Wastewater**

The utility has the following number of customers and billed volumes for 2013 and 2012:

	Customers		Sales (000 gals)	
	2013	2012	2013	2012
Residential	2,980	2,901	118,404	121,426
Commercial	367	367	81,272	82,334
Industrial	31	30	13,674	13,217
Public Authority	59	64	66,886	88,576
Totals	<u>3,437</u>	<u>3,362</u>	<u>280,236</u>	<u>305,553</u>

**7. Net Position**

Governmental accounting standards require the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**7. Net Position (Continued)**

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws, or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the utilities’ policy to use restricted resources first, then unrestricted resources as they are needed.

The following calculation supports the water utility net assets invested in capital assets, net of related debt:

	2013	2012
<b>Water Utility</b>		
Capital Assets net of depreciation	\$ 11,902,387	\$ 12,095,121
Less: related long-term debt outstanding	(2,338,876)	(2,739,586)
Total Invested in Capital Assets	9,563,511	9,355,535
Reserve from borrowing	266,052	266,052
Total Net Position - Net Investment in Capital Assets	\$ 9,829,563	\$ 9,621,587

The following calculation supports the wastewater utility net assets invested in capital assets, net of related debt:

	2013	2012
<b>Wastewater Utility</b>		
Capital Assets net of depreciation	\$ 17,141,742	\$ 18,059,891
Less: related long-term debt outstanding	(5,499,933)	(6,013,344)
Total Invested in Capital Assets	11,641,809	12,046,547
Reserve from borrowing	223,000	223,000
Total Net Position - Net Investment in Capital Assets	\$ 11,864,809	\$ 12,269,547

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**7. Net Position (Continued)**

The following calculation supports the stormwater net assets invested in capital assets, net of related debt:

	2013	2012
<b>Stormwater Utility</b>		
Capital Assets net of depreciation	\$ 3,454,945	\$ 3,368,338
Less: related long-term debt outstanding	(455,000)	(455,000)
Total Invested in Capital Assets	2,999,945	2,913,338
Total Net Position - Net Investment in Capital Assets	\$ 2,999,945	\$ 2,913,338

**8. Employees Retirement System**

All eligible employees of the utilities participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year and hired prior to July 1, 2011 are eligible to participate in the WRS. Employees hired after July 1, 2011 are eligible to participate if expected to work at least 1,200 hours per year and are expected to be employed for at least one year from the hire date. Covered employees in the General category are required by statute to contribute 6.65% and 5.90% of their salary to the plan in 2013 and 2012, respectively. For pay periods prior to June 29, 2011, employers generally made these contributions to the plan on behalf of employees. For pay periods after June 29, 2011, employers were no longer allowed to pay the employee required contributions for most employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits. Covered payroll listed below is substantially the same as total payroll.

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

**8. Employees Retirement System (Continued)**

Details of the plan are disclosed in the basic financial statement of the City of Whitewater.

Water Utility

	Year Ended December 31		
	2013	2012	2011
Total Covered Employee Payroll	\$ 329,088	\$ 338,033	\$ 328,304
Total Required Contributions	\$ 21,352	\$ 19,191	\$ 32,708
Total Required Contribution %	6.5%	5.7%	10.0%

Wastewater Utility

	Year Ended December 31		
	2013	2012	2011
Total Covered Employee Payroll	\$ 565,753	\$ 569,489	\$ 570,646
Total Required Contributions	\$ 35,098	\$ 30,385	\$ 56,241
Total Required Contribution %	6.2%	5.3%	9.9%

Stormwater Utility

	Year Ended December 31		
	2013	2012	2011
Total Covered Employee Payroll	\$ 123,388	\$ 136,154	\$ 134,389
Total Required Contributions	\$ 7,590	\$ 7,036	\$ 12,188
Total Required Contribution %	6.2%	5.2%	9.1%

**9. Significant Customers**

**Water Utility**

The utility has one significant customer who was responsible for approximately 18% of operating revenues.

**10. Commitments and Contingencies**

Claims and Legal Items

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of the management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

**WHITEWATER MUNICIPAL WATER, WASTEWATER AND STORMWATER  
UTILITIES**

**Notes to Financial Statements  
December 31, 2013 and 2012**

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**11. Prior Period Adjustment**

In 2012, the implementation of new accounting standards resulted in a prior period adjustment restating deferred assets related to bond issue costs. See Note 1C.

	Water Utility	Wastewater Utility
Total net position as previously reported	\$ 10,566,022	\$ 16,148,594
Unamortized debt issue costs adjustment	(42,474)	(17,442)
Total net position, restated	<u>\$ 10,523,548</u>	<u>\$ 16,131,152</u>

**SUPPLEMENTAL INFORMATION**

**Whitewater Municipal Water Utility**

**Water Utility Plant  
December 31, 2013**

	Balance 1/01/2013	Additions	Retirements	Balance 12/31/2013
<b>Source of Supply</b>				
Land and land rights	\$ 3,603	\$ -	\$ -	\$ 3,603
Structures and improvements	30,984	-	-	30,984
Wells and springs	585,549	-	-	585,549
Supply mains	17,029	-	-	17,029
Total Source of Supply	<u>637,165</u>	<u>-</u>	<u>-</u>	<u>637,165</u>
<b>Pumping</b>				
Structures and improvements	463,697	-	-	463,697
Electric pumping equipment	659,052	-	-	659,052
Diesel pumping equipment	51,851	-	-	51,851
Other pumping equipment	11,327	11,979	-	23,306
Total Pumping	<u>1,185,927</u>	<u>11,979</u>	<u>-</u>	<u>1,197,906</u>
<b>Water Treatment</b>				
Structures and improvements	370,874	-	-	370,874
Water treatment equipment	1,087,868	-	-	1,087,868
Total Water Treatment	<u>1,458,742</u>	<u>-</u>	<u>-</u>	<u>1,458,742</u>
<b>Transmission and Distribution</b>				
Land and land rights	898	-	-	898
Distribution reservoirs and standpipes	504,482	-	-	504,482
Transmission and distribution mains	9,943,642	177,287	5,374	10,115,555
Services	1,351,205	-	-	1,351,205
Meters	773,585	-	-	773,585
Hydrants	1,086,134	8,360	250	1,094,244
Total Transmission and Distribution	<u>13,659,946</u>	<u>185,647</u>	<u>5,624</u>	<u>13,839,969</u>
<b>General</b>				
Land and land rights	2,226	-	-	2,226
Structures and improvements	92,182	-	-	92,182
Office furniture and equipment	19,334	-	-	19,334
Computer equipment	54,246	-	-	54,246
Transportation equipment	79,449	13,200	-	92,649
Stores equipment	392	-	-	392
Tools, shop and garage equipment	33,245	-	-	33,245
Laboratory equipment	1,371	-	-	1,371
Power-operated equipment	43,747	-	-	43,747
Communication equipment	15,082	-	-	15,082
SCADA equipment	79,700	-	-	79,700
Miscellaneous equipment	5,465	-	-	5,465
Total General	<u>426,439</u>	<u>13,200</u>	<u>-</u>	<u>439,639</u>
<b>Total Water Utility Plant</b>	<u>\$ 17,368,219</u>	<u>\$ 210,826</u>	<u>\$ 5,624</u>	<u>\$ 17,573,421</u>

**Whitewater Municipal Water Utility  
Rate of Return - Regulatory Basis**

**December 31, 2013 and 2012**

	Water	
	2013	2012
Utility Plant in Service (excluding contributed plant)		
Beginning of year	\$10,085,905	\$ 9,557,952
End of year	10,291,106	10,085,905
Average	10,188,506	9,821,929
Accumulated Depreciation		
Beginning of year	(2,801,993)	(2,585,341)
End of year	(3,041,359)	(2,801,993)
Average	(2,921,676)	(2,693,667)
Materials and Supplies		
Beginning of year	12,356	11,591
End of year	12,356	12,356
Average	12,356	11,974
Regulatory Liability		
Beginning of year	(560,906)	(611,897)
End of year	(509,914)	(560,906)
Average	(535,410)	(586,402)
Average Net Rate Base	\$ 6,743,776	\$ 6,553,834
Operating Income - Regulatory Basis	\$ 191,626	\$ 487,170
Rate of Return (Percent)	2.84%	7.43%

This schedule is computed based on Public Service Commission of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America due to GASB No. 34 as described in the Notes to the Financial Statements as well as PSC order 05-US-105, which was effective January 1, 2003 as amended September 8, 2004.

**Whitewater Municipal Wastewater Utility**

**Wastewater Utility Plant  
December 31, 2013**

	<u>Balance 1/01/2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2013</u>
<b>Collecting System</b>				
Lift stations	\$ 1,045,957	\$ 24,248	\$ -	\$ 1,070,205
Collecting mains	8,749,753	147,653	374	8,897,032
Interceptor mains	2,773,904	-	-	2,773,904
Force mains	115,800	-	-	115,800
<b>Total Collecting System</b>	<u>12,685,414</u>	<u>171,901</u>	<u>374</u>	<u>12,856,941</u>
<b>Treatment and Disposal</b>				
Land and improvements	168,179	-	-	168,179
Structures and improvements	7,956,929	-	-	7,956,929
Preliminary treatment equipment	1,743,138	-	-	1,743,138
Primary treatment equipment	655,419	-	-	655,419
Secondary treatment equipment	5,133,209	-	-	5,133,209
Advanced treatment equipment	1,603,274	-	-	1,603,274
Chlorination equipment	786,910	-	-	786,910
Sludge treatment and disposal equipment	5,026,599	608,044	-	5,634,643
Plant site piping	1,953,828	-	-	1,953,828
Flow metering and monitoring equipment	159,203	-	-	159,203
Flow metering and monitoring equipment	232,936	-	-	232,936
Flow metering and monitoring equipment	54,093	-	-	54,093
<b>Total Treatment and Disposal</b>	<u>25,473,717</u>	<u>608,044</u>	<u>-</u>	<u>26,081,761</u>
<b>General</b>				
Structures and improvements	61,637	-	-	61,637
Office furniture and equipment	62,556	-	-	62,556
Computer equipment	57,898	-	-	57,898
Transportation equipment	346,286	-	-	346,286
Communication equipment	186,132	-	-	186,132
Other general equipment	282,776	-	-	282,776
<b>Total General</b>	<u>997,285</u>	<u>-</u>	<u>-</u>	<u>997,285</u>
<b>Construction Work In Progress</b>	<u>560,542</u>	<u>-</u>	<u>560,542</u>	<u>-</u>
<b>Total Wastewater Utility Plant</b>	<u><u>\$ 39,716,958</u></u>	<u><u>\$ 779,945</u></u>	<u><u>\$ 560,916</u></u>	<u><u>\$ 39,935,987</u></u>