



**20
23**

**KAUKAUNA
UTILITIES**

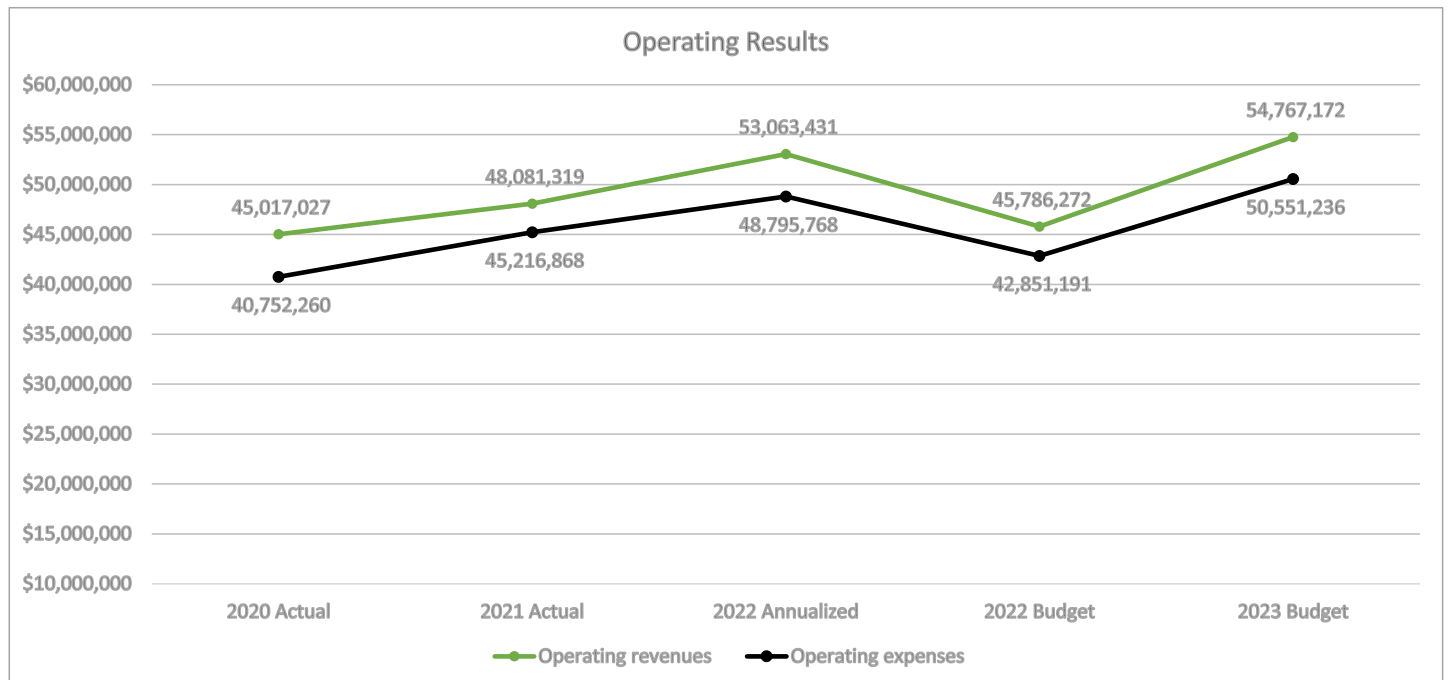
ANNUAL BUDGET

ADOPTED 11/15/2022

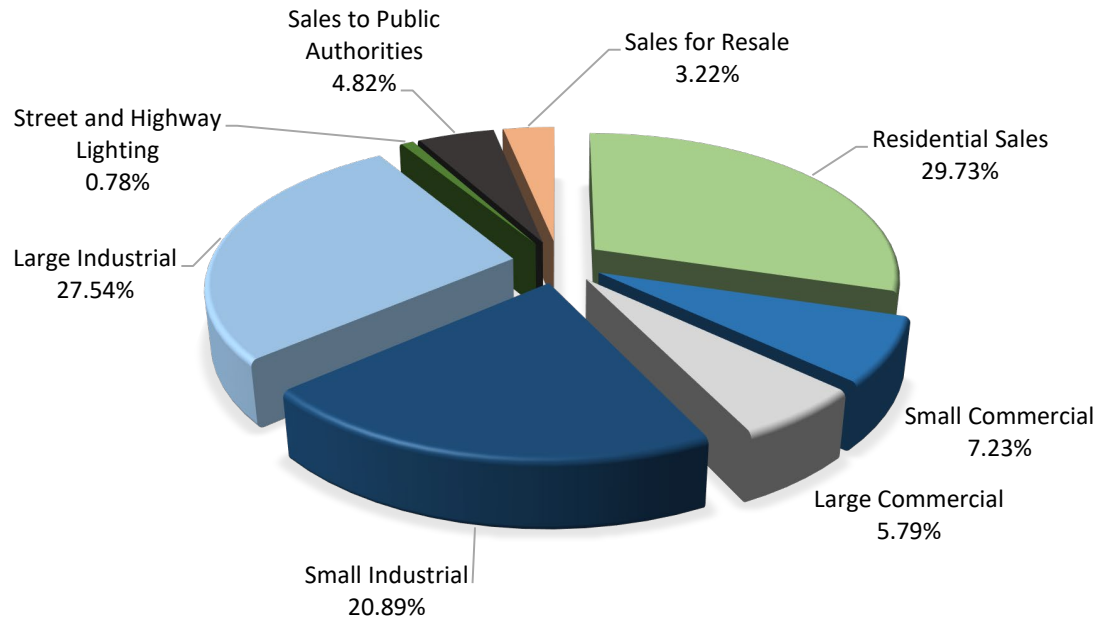
	Year End 12/31/2020	Year End 12/31/2021	Annualized 2022	Budget 2022	Budget 2023	Increase (Decrease)	% Increase (Decrease)
OPERATING REVENUES							
SALES OF ELECTRICITY							
Residential Sales	\$ 14,094,360	\$ 14,628,398	\$ 15,626,602	\$ 14,033,000	\$ 16,129,800	\$ 2,096,800	14.94%
Small Commercial	3,286,255	3,494,333	3,718,977	3,301,600	3,924,500	622,900	18.87%
Large Commercial	2,505,168	2,842,721	3,064,345	2,687,000	3,139,800	452,800	16.85%
Small Industrial	8,230,770	9,153,793	9,770,455	8,347,500	11,336,500	2,989,000	35.81%
Large Industrial	12,370,655	13,105,574	15,846,902	12,861,600	14,941,900	2,080,300	16.17%
Street and Highway Lighting	407,833	412,057	409,642	398,300	423,300	25,000	6.28%
Sales to Public Authorities	1,982,757	2,124,372	2,337,053	2,072,700	2,612,900	540,200	26.06%
Sales for Resale	1,661,471	1,796,808	1,806,906	1,593,470	1,748,270	154,800	9.71%
TOTAL SALES OF ELECTRICITY	44,539,268	47,558,055	52,580,882	45,295,170	54,256,970	8,961,800	19.79%
OTHER ELECTRIC OPERATING REVENUES	477,759	523,264	482,549	491,102	510,202	19,100	3.89%
TOTAL ELECTRIC OPERATING REVENUES	45,017,027	48,081,319	53,063,431	45,786,272	54,767,172	8,980,900	19.61%
PURCHASED POWER EXPENSE	26,098,770	29,201,524	33,771,348	26,795,510	34,067,090	7,271,580	27.14%
GROSS MARGIN	\$ 18,918,257	\$ 18,879,795	\$ 19,292,083	\$ 18,990,762	\$ 20,700,082	\$ 1,709,320	9.00%
OPERATION & MAINTENANCE EXPENSE							
Hydraulic Power Generation	1,746,492	1,956,105	1,127,606	1,591,295	1,509,520	(81,775)	-5.14%
Gas Turbine Generation	74,551	89,621	87,677	79,550	86,000	6,450	8.11%
System Control & Load Dispatch	398,573	396,878	407,399	422,300	469,000	46,700	11.06%
Distribution Expense	1,581,273	2,106,113	1,833,258	1,882,220	2,077,520	195,300	10.38%
Customer Accounts Expense	354,907	707,649	637,440	761,846	646,251	(115,595)	-15.17%
Sales Expense	29,140	58,035	27,757	32,800	33,200	400	1.22%
Administrative and General Expense	2,817,216	3,120,498	3,445,983	3,408,670	3,713,768	305,098	8.95%
TOTAL OPERATION & MAINTENANCE EXPENSE	7,002,151	8,434,898	7,567,120	8,178,681	8,535,259	356,578	4.36%
DEPRECIATION AND TAX EXPENSE							
Depreciation	4,812,822	4,902,980	4,697,979	5,054,000	5,114,000	60,000	1.19%
Taxes-PILOT	1,739,208	1,582,045	1,698,795	1,699,000	1,664,887	(34,113)	-2.01%
Taxes-State Taxes	789,140	768,413	770,000	770,000	812,000	42,000	5.45%
Taxes-PSC Remaindr Assmnt	47,713	52,571	-	50,000	53,000	3,000	6.00%
Taxes-FICA	262,456	274,437	290,526	304,000	305,000	1,000	0.33%
TOTAL DEPRECIATION AND TAX EXPENSE	7,651,339	7,580,446	7,457,300	7,877,000	7,948,887	71,887	0.91%
TOTAL OPERATING EXPENSES	40,752,260	45,216,868	48,795,768	42,851,191	50,551,236	7,700,045	32.41%
NET OPERATING INCOME	\$ 4,264,767	\$ 2,864,451	\$ 4,267,663	\$ 2,935,081	\$ 4,215,936	\$ 1,280,855	43.64%

	Year End 12/31/2020	Year End 12/31/2021	Annualized 2022	Budget 2022	Budget 2023	Increase (Decrease)	% Increase (Decrease)
OTHER INCOME (EXPENSES)							
Income from Nonutility Operations	20,505	38,714	64,351	22,000	22,000	-	0.00%
Interest and Dividend Income	576,000	369,379	265,655	250,000	250,000	-	0.00%
Miscellaneous Nonoperating Income	928,248	433,653	258,469	100,000	150,000	50,000	50.00%
PSC Regulatory Liability	97,736	97,736	97,736	97,736	97,736	-	0.00%
Other Income Deductions	(47,336)	(11,017)	(17,097)	(12,000)	(12,000)	-	0.00%
Depreciation on Contributed Plant	(283,741)	(298,776)	(296,742)	(318,000)	(313,000)	5,000	-1.57%
Bond and Loan Interest	(2,772,493)	(2,178,625)	(2,077,875)	(2,077,876)	(1,947,195)	130,681	-6.29%
Amortization of Debt Premium/Issue Expens	(173,719)	446,013	446,013	133,453	446,011	312,558	234.21%
Miscellaneous Credits (Debits) to Surplus	(572,242)	(663,636)	(655,802)	(663,636)	-	663,636	-100.00%
Appropriations to City	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	-	0.00%
TOTAL OTHER INCOME (EXPENSES)	(2,377,041)	(1,916,560)	(2,065,292)	(2,618,323)	(1,456,448)	1,161,875	-44.37%
NET INCOME	1,887,725	947,891	2,202,371	316,758	2,759,488	2,442,730	771.17%

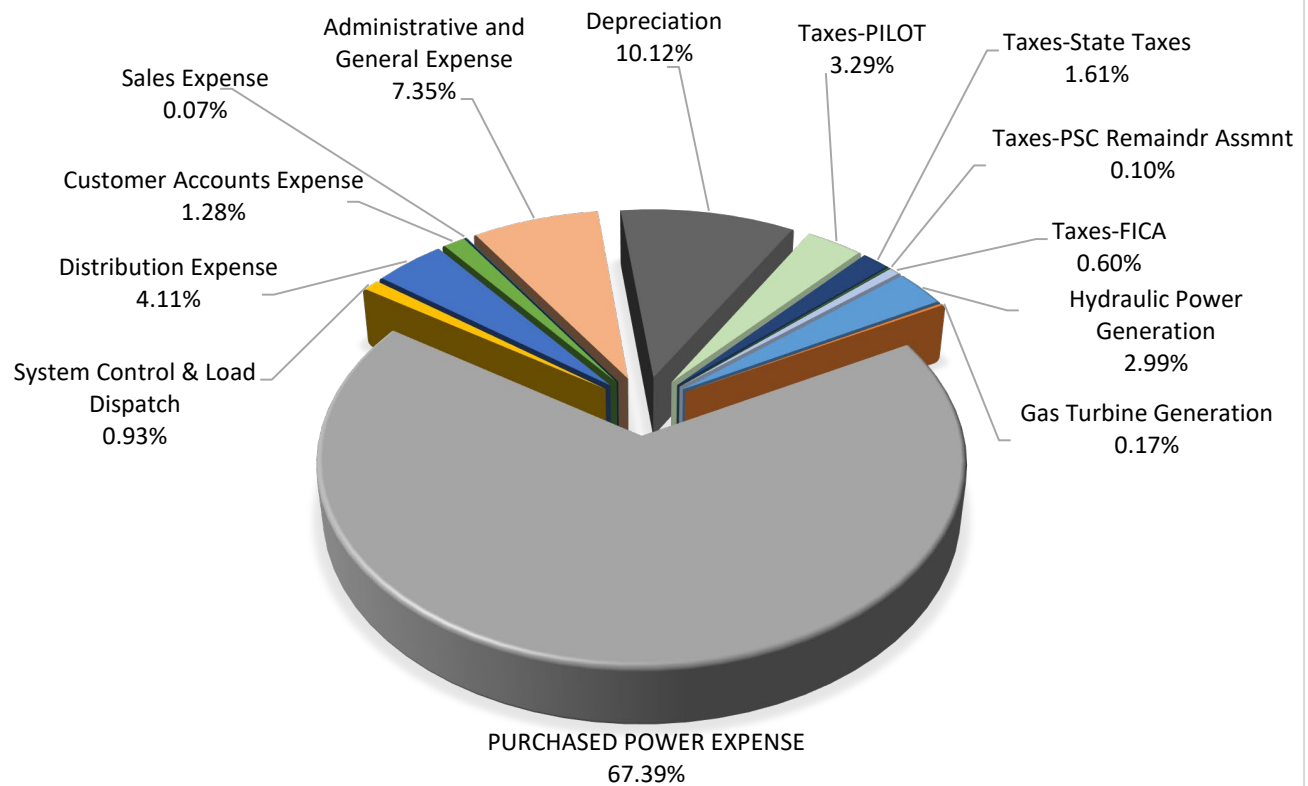
	Actual 12/31/2020	Actual 12/31/2021	Annualized 2022	Budget 2022	Budget 2023
Actual Rate of Return	4.47%	5.44%	3.92%	2.80%	4.32%
Authorized Rate of Return	5.00%	5.00%	5.00%	5.00%	4.90%



2023 BUDGETED ELECTRIC OPERATING REVENUES



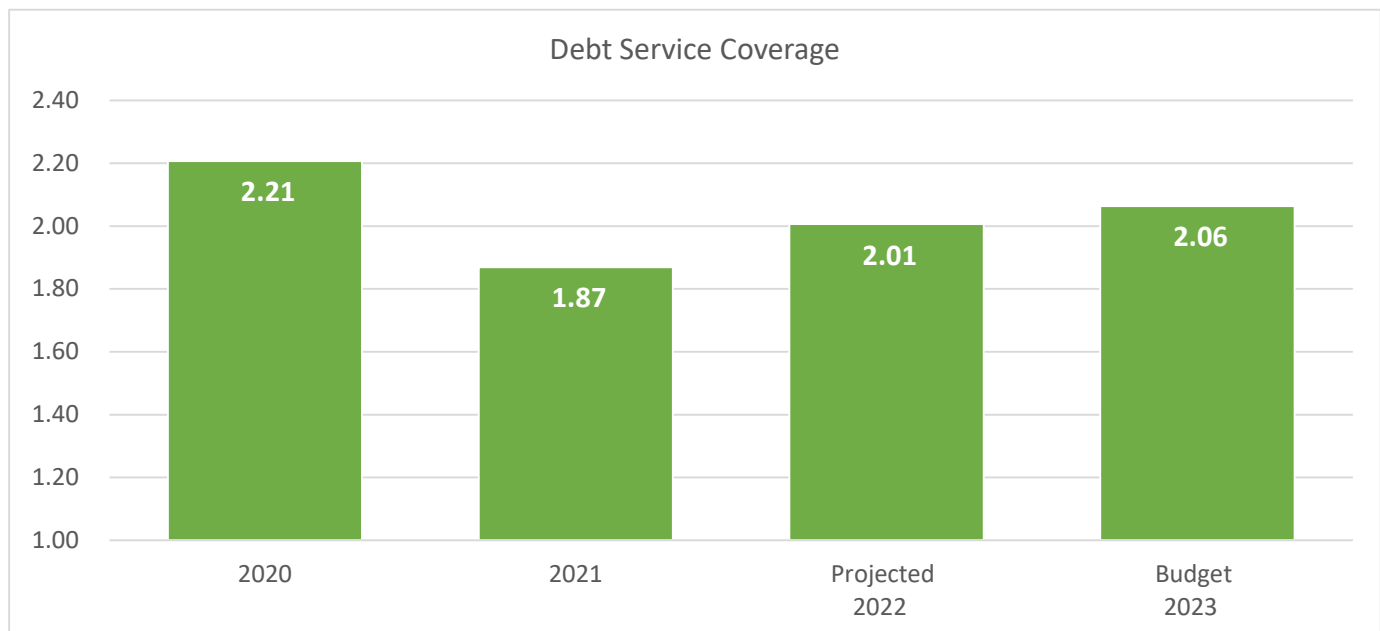
2023 BUDGETED ELECTRIC OPERATING EXPENSES



	2020	2021	Projected 2022	Budget 2023
Operating revenues	\$ 45,017,027	\$ 48,081,319	\$ 53,063,431	\$ 54,767,172
Investment income	576,000	369,379	265,655	250,000
Miscellaneous nonoperating income	720,066	67,794	-	-
Less: Operation and maintenance expenses	(34,289,697)	(38,332,208)	(42,398,994)	(43,772,349)
Net Defined Earnings	\$ 12,023,396	\$ 10,186,284	\$ 10,930,092	\$ 11,244,823
Minimum Required Earnings per Resolution:				
Highest annual debt service	5,448,740	5,448,740	5,448,740	5,448,740
Coverage Factor	1.25	1.25	1.25	1.25
Minimum Required Earnings	\$ 6,810,925	\$ 6,810,925	\$ 6,810,925	\$ 6,810,925
Actual Debt Coverage	2.21	1.87	2.01	2.06

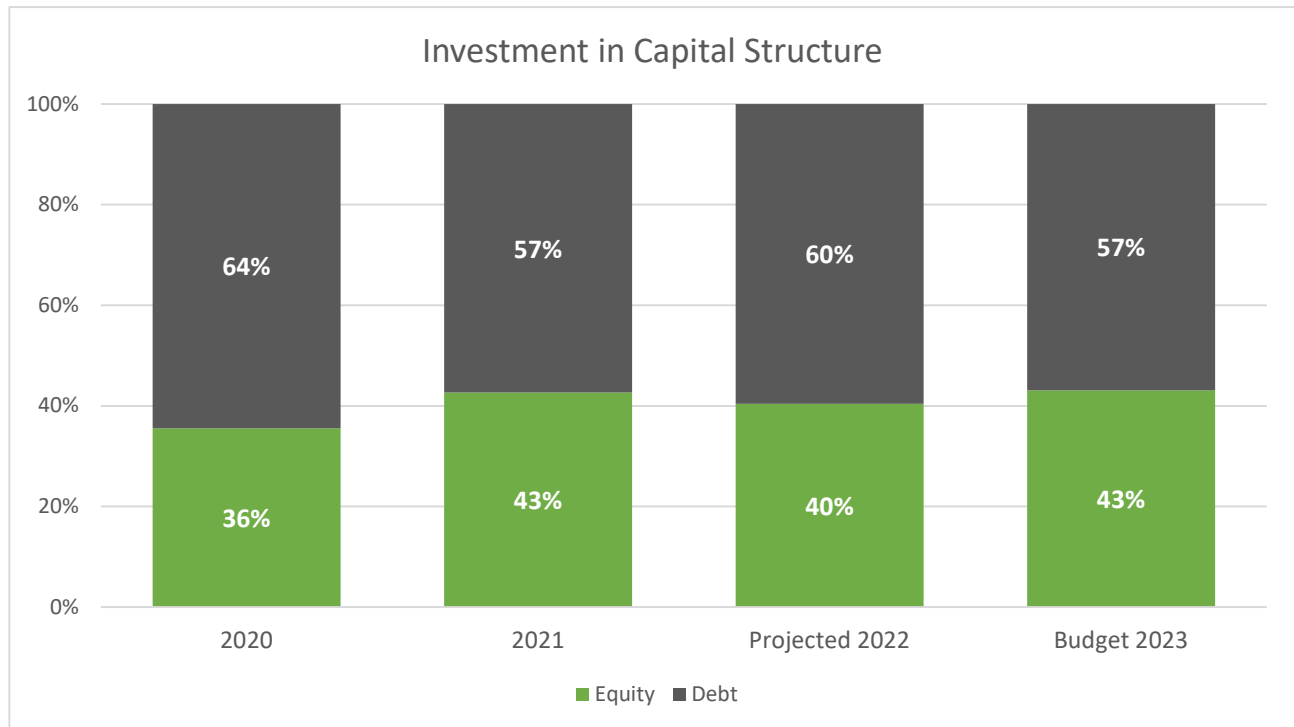
Electric Bond Covenants

The System will produce earnings equivalent of not less than 1.25 times annual principal and interest requirements on the Outstanding Bonds, the Bonds and any parity bonds then outstanding after deduction of all operation and maintenance expenses of the System, but before deduction of depreciation charges or local tax equivalents.



	2020	2021	Projected 2022	Budget 2023
Construction work in progress	\$ 1,368,799	\$ 1,374,623	\$ 1,431,432	\$ 2,097,667
Plant in service	166,685,575	178,802,344	170,003,211	172,360,258
Accumulated depreciation	(65,918,655)	(70,641,191)	(72,858,606)	(76,569,748)
Sub Totals	102,135,719	109,535,776	98,576,037	97,888,177
Less: Capital related debt				
Current portion of capital related debt	3,265,000	3,365,000	3,495,000	3,625,000
Long-term portion of capital related debt	59,550,000	56,185,000	52,690,000	49,065,000
Unamortized debt premium	4,361,348	3,915,336	2,577,297	3,023,310
Unamortized loss on advanced refunding	(1,327,272)	(663,636)	-	-
Sub Totals	65,849,076	62,801,700	58,762,297	55,713,310
Total Net Investment in Capital Assets	\$ 36,286,643	\$ 46,734,076	\$ 39,813,740	\$ 42,174,867

Equity Ratio	36%	43%	40%	43%
Debt Ratio	64%	57%	60%	57%



Kaukauna Utilities
Capital Improvement Plan
Electric Utility
2023 thru 2027

Projects by Category

Proj#	Project Name	2023	2024	2025	2026	2027	Total
Administration							
A22-04	Physical Security Upgrade	125,000	125,000	-	-	-	\$ 250,000
A23-01	MOB Replace RTU #1 & #2 (HVAC Units)	20,000	380,000	-	-	-	\$ 400,000
A23-02	Main Office Building - Electric Vehicle Charging Stations	30,000	2,000	2,000	2,000	2,000	\$ 38,000
A23-03	LED Lighting Upgrade at sites	35,000	50,000	-	-	-	\$ 85,000
A25-01	Tuck Point Old Badger Plant (Building)	-	-	50,000	-	-	\$ 50,000
A25-02	Pole Shed/Lean-To Structure	-	-	250,000	-	-	\$ 250,000
Administration Total		\$ 210,000	\$ 557,000	\$ 302,000	\$ 2,000	\$ 2,000	\$ 1,073,000

Distribution - Line Projects

D23-01	34.5 kV South Loop Rebuild / Reconductor	125,000	250,000	250,000	250,000	-	\$ 875,000
D23-02	Replace Transformer Bank at Janssen Elementary School	55,000	-	-	-	-	\$ 55,000
D23-03	Buchanan Street Rebuild (VLC: Main to CTH OO)	10,000	-	-	-	-	\$ 10,000
D24-01	New Reclosers	-	85,000	-	-	-	\$ 85,000
D24-02	Coolidge Avenue Rebuild	-	140,000	-	-	-	\$ 140,000
D24-03	Rebuild DeBruin from CTH CE North	-	160,000	-	-	-	\$ 160,000
D25-01	Rebuild County Highway Z (Haas Road east to the county line)	-	-	500,000	-	-	\$ 500,000
D26-01	Lawe Street (CTH J) Rebuild South of CTH OO	-	-	-	225,000	-	\$ 225,000
D26-02	Rebuild STH 55 South of CTH CE	-	-	-	300,000	-	\$ 300,000
D26-03	Rebuild DeBruin Road (CTH CE south to CTH KK)	-	-	-	300,000	-	\$ 300,000
D27-01	Rebuild CTH KK	-	-	-	-	400,000	\$ 400,000
D27-02	34.5 kV Loop (Freedom/Elm/Holland)	-	-	-	-	350,000	\$ 350,000
D27-03	Rebuild CTH CE East of CTH HH	-	-	-	-	140,000	\$ 140,000
Distribution - Line Projects Total		\$ 190,000	\$ 635,000	\$ 750,000	\$ 1,075,000	\$ 890,000	\$ 3,540,000

Distribution - Other Capital Projects

D01	HPS to LED Street Light Replacements	75,000	75,000	75,000	75,000	75,000	\$ 375,000
D02	Non-Reimbursed Road Construction	80,000	80,000	80,000	80,000	80,000	\$ 400,000
D03	Overhead Primary Rebuilds	80,000	80,000	80,000	80,000	80,000	\$ 400,000
D04	URD Primary Cable Replacements	140,000	140,000	140,000	140,000	140,000	\$ 700,000
D05	URD Service Connections	110,000	110,000	110,000	110,000	110,000	\$ 550,000
D06	Transformers	400,000	400,000	400,000	400,000	400,000	\$ 2,000,000
D07	Overhead/Underground Construction Materials	200,000	200,000	200,000	200,000	200,000	\$ 1,000,000
D08	PSC Mandated Construction Credit Allowances	400,000	400,000	400,000	400,000	400,000	\$ 2,000,000
D09	Electric Meters	150,000	150,000	150,000	150,000	150,000	\$ 750,000
Distribution - Other Capital Projects Total		\$ 1,635,000	\$ 1,635,000	\$ 1,635,000	\$ 1,635,000	\$ 1,635,000	\$ 8,175,000

Generation

G19-8	Combined Locks Plant (CLP) - FERC Licensing	12,000	7,000	-	-	-	\$ 19,000
G21-03	Combined Locks Plant (CLP) - Remove, Inspect, and Repair Tainter Gates	50,000	100,000	100,000	50,000	-	\$ 300,000
G23-01	Kaukauna City Plant (KCP) - Replace Blades on Unit #1	750,000	-	-	-	-	\$ 750,000
G23-02	Kaukauna City Plant (KCP) - Replace Rack Raker	30,000	650,000	-	-	-	\$ 680,000
G23-03	OMS Server Upgrade	27,500	-	-	-	-	\$ 27,500
G23-04	Kaukauna City Plant (KCP) - Repair Undermining on Left Tailrace Wall	60,000	-	-	-	-	\$ 60,000
G23-05	Kaukauna City Plant (KCP) - Replace Overhead Crane	20,000	-	-	-	-	\$ 20,000
G23-06	Badger Hydro Plant (BHP) - Replace Trash Racks at Power Canal Inlet	450,000	-	-	-	-	\$ 450,000
G23-07	Combined Locks Dam - Tainter Gate #5 Scour Repair	80,000	-	-	-	-	\$ 80,000
G23-08	Hydro - Feasibility Study for New Hydro on Existing Dams	50,000	-	-	-	-	\$ 50,000
G24-01	Rapid Croche Plant (RCP) - Upgrade Start/Stop Solenoids	-	80,000	-	-	-	\$ 80,000
G24-02	Kaukauna City Plant (KCP) - Rebuild Turbine Unit #2	-	225,000	-	-	-	\$ 225,000
G24-03	Combined Locks Plant (CLP) - Engineering Study of Ventilation System	-	10,000	-	-	-	\$ 10,000
G24-04	Kimberly Hydro Plant (KHP) Building Repairs	-	100,000	-	-	-	\$ 100,000
G24-05	Kaukauna City Plant (KCP) - New Substation Transformer	-	350,000	-	-	-	\$ 350,000
G24-06	Kaukauna City Plant (KCP) - Roof Replacement	-	45,000	45,000	-	-	\$ 90,000
G25-01	Utility Scale Battery Storage	-	-	500,000	-	-	\$ 500,000

Kaukauna Utilities
Capital Improvement Plan
Electric Utility
2023 thru 2027

Projects by Category

Proj#	Project Name	2023	2024	2025	2026	2027	Total
G25-02	Combined Locks Plant (CLP) - Replace Substation Transformer and Switchgear	-	-	700,000	-	-	\$ 700,000
G25-03	Combined Locks Plant (CLP) - Downstream Crane Replacement	-	-	50,000	-	-	\$ 50,000
G25-04	Little Chute Plant (LCP) - Bulkhead Wall Repair	-	-	550,000	-	-	\$ 550,000
G25-05	Kimberly Hydro Plant (KHP) - Replace Windows and Louvers	-	-	100,000	-	-	\$ 100,000
G25-06	Kimberly Hydro Plant (KHP) - Replace MCC	-	-	150,000	-	-	\$ 150,000
G25-07	John Street Plant - New Trash Racks	-	-	40,000	-	-	\$ 40,000
G26-01	Rapid Croche Plant (RCP) - Governor Upgrade	-	-	-	360,000	-	\$ 360,000
G26-02	Rapid Croche Plant (RCP) - Building Tuck Pointing	-	-	-	100,000	-	\$ 100,000
G26-03	Elm Street Plant (ESP) - Borescope Turbine	-	-	-	35,000	-	\$ 35,000
G26-04	Combined Locks Plant (CLP) - Rack Raker	-	-	-	700,000	-	\$ 700,000
G26-05	Elm Street Plant (ESP) - New Substation and Switchgear	-	-	-	1,350,000	-	\$ 1,350,000
G27-01	Kaukauna City Plant (KCP) - Left Forebay Wall Stabilization	-	-	-	-	100,000	\$ 100,000
G27-02	Rapid Croche Plant (RCP) - Downstream Retaining Wall Replacement	-	-	-	-	900,000	\$ 900,000
G27-03	Combined Locks Plant (CLP) - Replace Trash Racks	-	-	-	-	100,000	\$ 100,000
G27-04	Rapid Croche Plant (RCP) - Replace Switchgear	-	-	-	-	350,000	\$ 350,000
G27-05	Rapid Croche Plant (RCP) - Roof Exhaust Fan	-	-	-	-	50,000	\$ 50,000
Generation Total		\$ 1,529,500	\$ 1,567,000	\$ 2,235,000	\$ 2,595,000	\$ 1,500,000	\$ 9,426,500

Management Information Systems

M23-01	Virtualization Hardware - Host for Operational Technology	10,000	-	-	12,000	-	\$ 22,000
M23-02	Redundant Firewall for Backup Operations Center	5,000	-	-	-	6,000	\$ 11,000
M23-03	Uninterruptible Power Supply (UPS) for Backup Operations Center	35,000	-	-	-	-	\$ 35,000
M23-04	SMART Screen for the Line Crew Room	15,000	-	-	-	-	\$ 15,000
M24-01	Virtualization Hardware - Host for Information Technology	-	10,000	-	-	12,000	\$ 22,000
M24-02	Network Power Over Ethernet (POE) Switch for Primary Data Center	-	15,000	-	-	-	\$ 15,000
M24-03	Physical Server for Video Surveillance System	-	20,000	-	-	-	\$ 20,000
M24-04	Hardware Upgrade - Back-up System Operations Center	-	50,000	-	-	-	\$ 50,000
M25-01	Virtualization Hardware - Host for BACKUPS	-	-	10,000	-	-	\$ 10,000
M25-02	Network Switch for Primary Distribution Facility responsible for Fiber Ring	-	-	12,000	-	-	\$ 12,000
M25-03	Firewall for Primary Data Center	-	-	7,000	-	-	\$ 7,000
M25-04	Physical Server for Video Surveillance System	-	-	20,000	-	-	\$ 20,000
M26-01	Uninterruptible Power Supply (UPS) for Main Office Building	-	-	-	35,000	-	\$ 35,000
M26-02	Access Control Head End	-	-	-	5,000	-	\$ 5,000
Management Information Systems Total		\$ 65,000	\$ 95,000	\$ 49,000	\$ 52,000	\$ 18,000	\$ 279,000

Substations

S22-01	Central Substation Grounding Transformer Replacement	200,000	-	-	-	-	\$ 200,000
S23-01	Combined Locks Substation - Replace 138kV Switch	75,000	-	-	-	-	\$ 75,000
S23-02	Central Substation - 138kV Circuit Switcher Replacement	100,000	-	-	-	-	\$ 100,000
S23-03	New Interconnect Substation by Landfill	-	-	-	3,000,000	3,000,000	\$ 6,000,000
S24-01	Rebuild Rosehill Substation	-	-	-	2,000,000	200,000	\$ 2,200,000
S24-02	Rosehill Circuit Breaker Upgrade	-	400,000	-	-	-	\$ 400,000
S24-03	Kaukauna North Substation Circuit Breaker Upgrade	-	400,000	-	-	-	\$ 400,000
S26-01	Thilmany Substation (THS) Rebuild	-	-	-	-	3,320,000	\$ 3,320,000
Substations Total		375,000	800,000	-	5,000,000	6,520,000	\$ 12,695,000

Tools/Small Equipment

T01	Mechanic Tools	2,000	2,000	2,000	2,000	2,000	\$ 10,000
T02	Electrician Tools	2,000	2,000	2,000	2,000	2,000	\$ 10,000
T03	Maintenance Tools	2,000	2,000	2,000	2,000	2,000	\$ 10,000
T04	Distribution Tools/Miscellaneous Equipment	15,000	15,000	15,000	15,000	15,000	\$ 75,000
T05	All Data Service Update	1,500	1,500	1,500	1,500	1,500	\$ 7,500
T07	AED Replacement	7,500	7,500	7,500	7,500	7,500	\$ 37,500
T20-02	Electronic Digital Fluke	1,000	1,000	1,500	1,000	1,000	\$ 5,500

Kaukauna Utilities
Capital Improvement Plan
Electric Utility
2023 thru 2027

Projects by Category

Proj#	Project Name	2023	2024	2025	2026	2027	Total
T21-03	Replace Air Monitor	2,000	-	2,000	-	2,000	\$ 6,000
T23-01	Tire Machine (TPMS Compatible)	10,000	-	-	-	-	\$ 10,000
T24-01	Replace Band Saw	-	7,500	-	-	-	\$ 7,500
T24-02	Smoke Diagnostic Machine	-	2,000	-	-	-	\$ 2,000
T24-03	Tig Welder	-	3,000	-	-	-	\$ 3,000
T24-04	Tool-up a truck	-	15,000	-	-	-	\$ 15,000
T25-01	Dry-Ice Blasting Machine	-	30,000	-	-	-	\$ 30,000
Tools/Small Equipment Total		\$ 43,000	\$ 88,500	\$ 33,500	\$ 31,000	\$ 33,000	\$ 229,000

Vehicles/Large Equipment

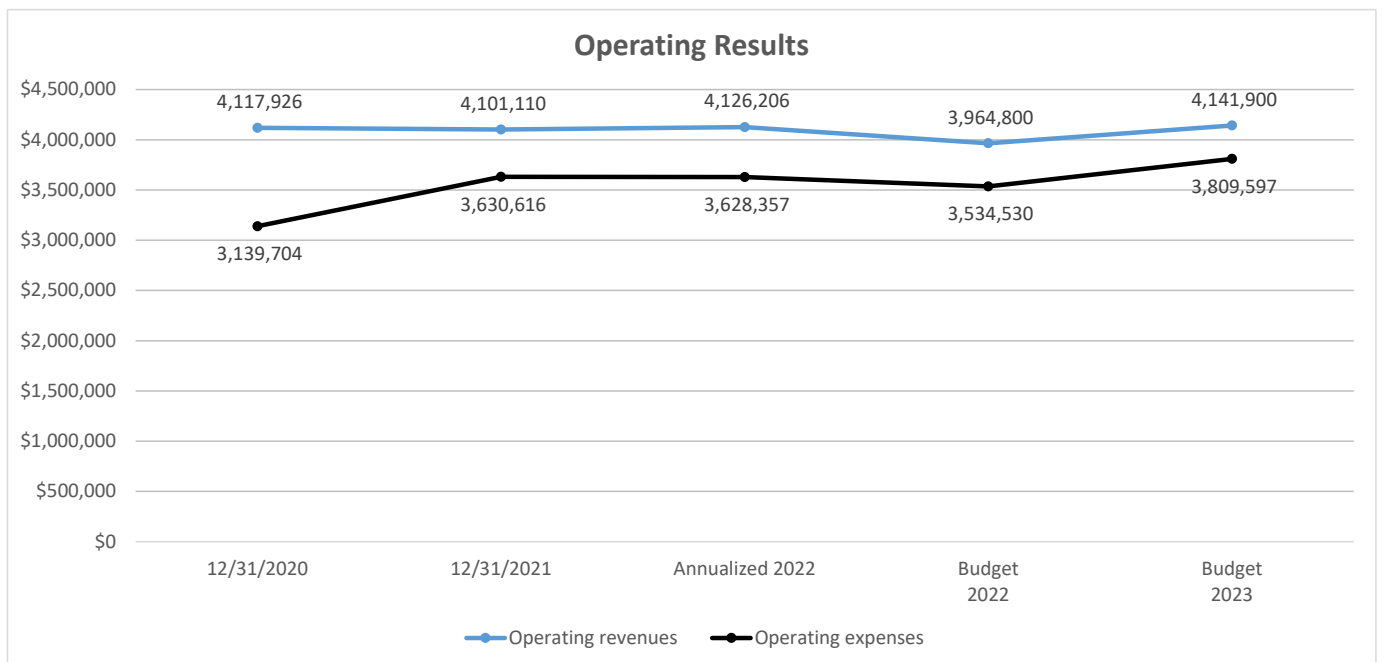
V23-01	Replace V91 (2017 Ford F150) with Electric Vehicle	27,500	-	-	-	-	\$ 27,500
V23-02	Replace V20 (2005 Ford F150) with Electric Sedan	40,000	-	-	-	-	\$ 40,000
V23-03	Replace 2006 Bucket Truck #29	280,000	-	-	-	-	\$ 280,000
V24-02	Replace V55 (2007 Ford F250) with Electric Vehicle	-	55,000	-	-	-	\$ 55,000
V24-03	Replace K-117 2004 John Deere Backhoe	-	120,000	-	-	-	\$ 120,000
V24-04	Replace V61 (2016 Chevy Colorado) with Electric Vehicle	-	30,000	-	-	-	\$ 30,000
V25-01	Replace V87 - 2012 Dodge Ram	-	-	47,000	-	-	\$ 47,000
V25-02	Replace V88 - 2012 Dodge Ram	-	-	47,000	-	-	\$ 47,000
V25-03	Replace E119 2007 Trencher	-	-	125,000	-	-	\$ 125,000
V26-01	Replace VE84 - 2010 Chevy Silverado Bucket Truck	-	-	-	250,000	-	\$ 250,000
V27-01	Replace V83 - 2010 Ford F250	-	-	-	-	75,000	\$ 75,000
V27-02	Replace V85 - 2011 Ford Truck	-	-	-	-	75,000	\$ 75,000
V27-03	Replace V89 - 2014 Ford F150	-	-	-	-	34,000	\$ 34,000
V27-04	Replace V89 2014 Ford F150 Pick-up Truck	-	-	-	-	55,000	\$ 55,000
Vehicles/Large Equipment Total		\$ 347,500	\$ 205,000	\$ 219,000	\$ 250,000	\$ 239,000	\$ 1,260,500

Total	\$ 4,395,000	\$ 5,582,500	\$ 5,223,500	\$ 10,640,000	\$ 10,837,000	\$ 36,678,000
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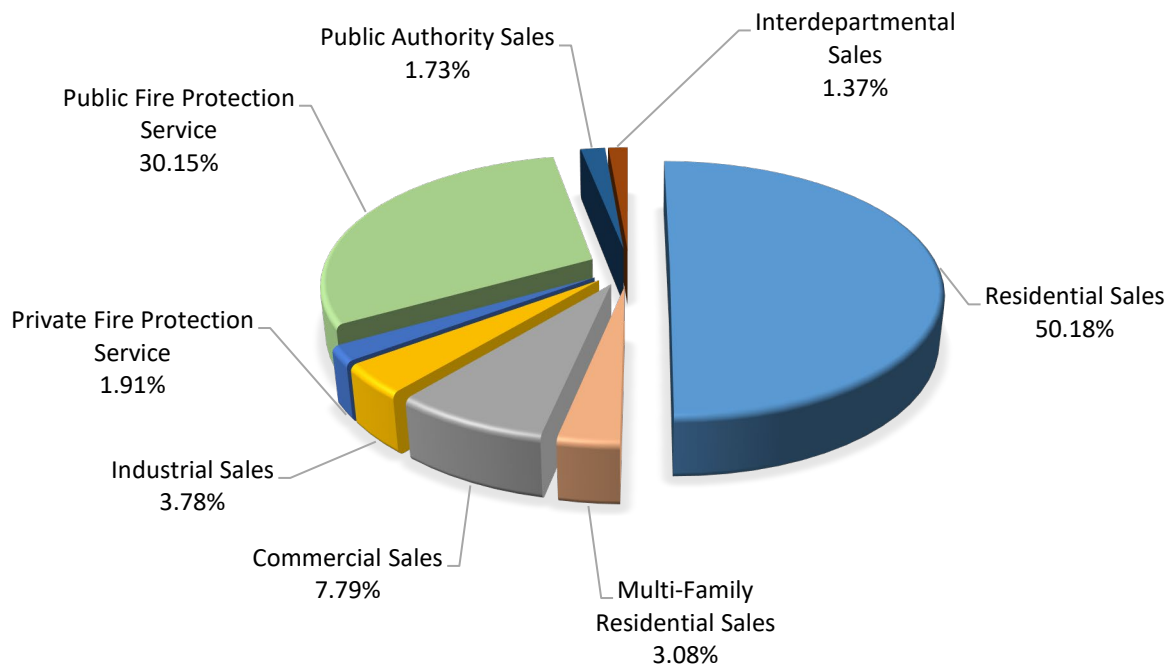
	Year End 12/31/2020	Year End 12/31/2021	Annualized 2022	Budget 2022	Budget 2023	Increase (Decrease)	% Increase (Decrease)
OPERATING REVENUES							
WATER SALES							
Residential Sales	\$ 2,061,082	\$ 2,031,502	\$ 2,050,622	\$ 1,956,700	\$ 2,014,000	\$ 57,300	2.93%
Multi-Family Residential Sales	123,891	121,610	117,934	121,200	123,800	2,600	2.15%
Commercial Sales	287,181	300,897	303,253	300,900	312,700	11,800	3.92%
Industrial Sales	158,777	161,199	156,860	141,200	151,900	10,700	7.58%
Private Fire Protection Service	75,968	76,204	77,771	74,400	76,500	2,100	2.82%
Public Fire Protection Service	1,164,223	1,181,049	1,194,763	1,133,900	1,210,000	76,100	6.71%
Public Authority Sales	64,195	65,468	64,161	65,000	69,500	4,500	6.92%
Interdepartmental Sales	56,577	36,915	42,578	52,000	55,000	3,000	5.77%
TOTAL WATER SALES	3,991,895	3,974,844	4,007,942	3,845,300	4,013,400	168,100	4.37%
OTHER WATER REVENUE	126,031	126,265	118,264	119,500	128,500	9,000	7.53%
TOTAL OPERATING REVENUES	4,117,926	4,101,110	4,126,206	3,964,800	4,141,900	177,100	4.47%
OPERATION AND MAINTENANCE EXPENSE							
Source of Supply	88,382	418,390	256,897	80,800	83,800	3,000	3.71%
Pumping	213,957	227,888	265,056	255,500	279,500	24,000	9.39%
Water Treatment	324,916	310,354	361,299	359,000	379,000	20,000	5.57%
Transmission and Distribution	527,508	587,236	662,652	626,000	678,700	52,700	8.42%
Customer Accounts	128,824	130,364	138,457	136,850	147,750	10,900	7.96%
Sales and Advertising	4,080	7,921	6,939	7,200	8,300	1,100	15.28%
Administrative and General	711,421	756,889	766,980	823,180	927,657	104,477	12.69%
TOTAL OPERATION AND MAINTENANCE EXPENSE	1,999,088	2,439,042	2,458,280	2,288,530	2,504,707	216,177	9.45%
DEPRECIATION & TAX EXPENSE							
Deprec Expense Default	589,458	648,782	583,584	633,000	675,000	42,000	6.64%
Deprec Exp Kau Sewer	(67,611)	(66,538)	(67,608)	(60,000)	(67,000)	(7,000)	11.67%
Taxes Kaukauna Sewer	(26,241)	(27,951)	(24,072)	(20,000)	(25,000)	(5,000)	25.00%
Taxes PILOT	578,087	566,831	604,697	605,000	633,290	28,290	4.68%
Taxes FICA	62,774	65,878	73,476	84,000	84,000	-	0.00%
Taxes PSC Remainder Assessment	4,149	4,571	-	4,000	4,600	600	15.00%
TOTAL DEPRECIATION & TAX EXPENSE	1,140,616	1,191,573	1,170,077	1,246,000	1,304,890	58,890	4.73%
TOTAL OPERATING EXPENSES	3,139,704	3,630,616	3,628,357	3,534,530	3,809,597	275,067	7.78%
NET OPERATING INCOME (LOSS)	978,221	470,494	497,849	430,270	332,303	(97,967)	-22.77%

	Year End 12/31/2020	Year End 12/31/2021	Annualized 2022	Budget 2022	Budget 2023	Increase (Decrease)	% Increase (Decrease)
OTHER INCOME (EXPENSE)							
Interest from Investments & Miscellaneous	24,591	5,434	(7,823)	15,000	15,000	-	0.00%
Miscellaneous Non-Operating Income	1,187,699	968,290	-	-	-	-	0.00%
Depreciation on Contributed Plant	(132,056)	(150,289)	(147,675)	(148,000)	(152,000)	(4,000)	2.70%
Interest Expense	(169,604)	(230,552)	(222,248)	(222,248)	(267,030)	(44,782)	20.15%
PSC Regulatory Liability	19,331	19,331	19,331	19,330	19,330	-	0.00%
Amortization of Debt Premium/Issue Expense	(68,273)	16,095	16,094	6,425	16,094	9,669	0.00%
Miscellaneous Credits (Debits) to Surplus	-	-	-	-	-	-	0.00%
Merchandising & Jobing	-	-	-	-	-	-	#DIV/0!
Miscellaneous Income	-	-	147,671	-	-	-	0.00%
TOTAL OTHER INCOME (EXPENSE)	861,689	628,308	(194,650)	(329,493)	(368,606)	(39,113)	11.87%
NET INCOME (LOSS)	1,839,910	1,098,802	303,199	100,777	(36,303)	(137,080)	-136.02%

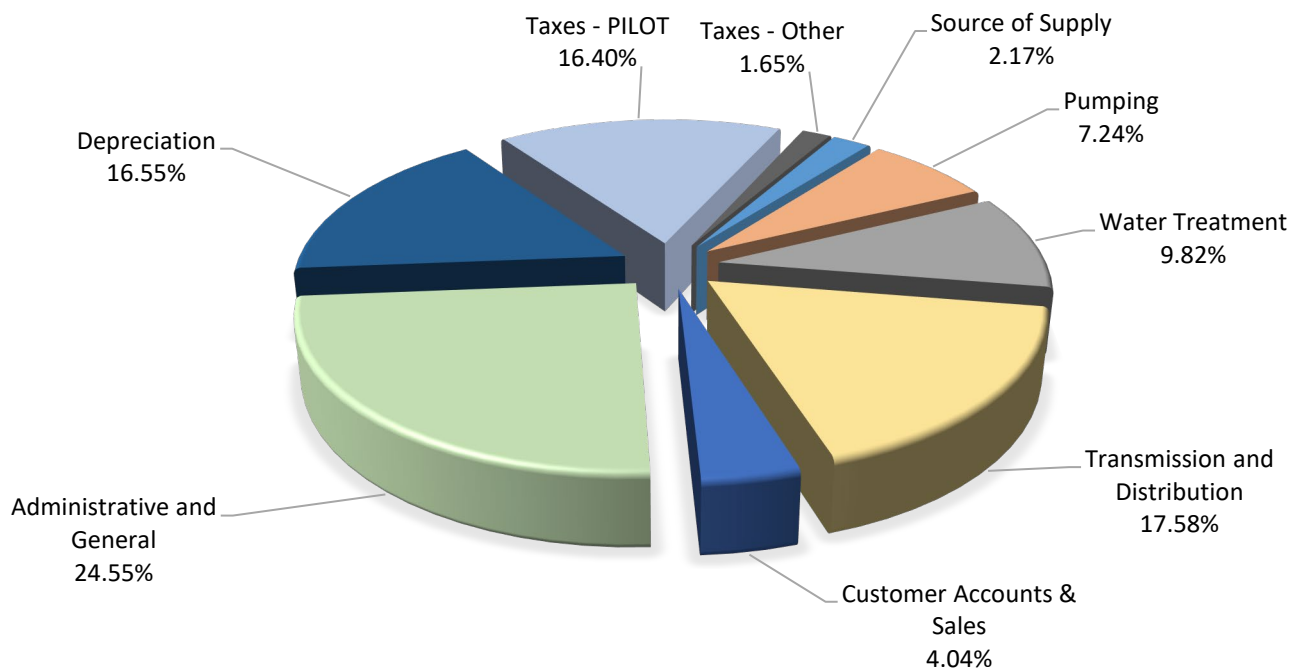
	12/31/2020	12/31/2021	Annualized 2022	Budget 2022	Budget 2023
Actual Rate of Return	3.78%	4.78%	4.67%	2.89%	1.44%
Authorized Rate of Return	5.70%	5.70%	5.70%	5.70%	5.70%



2023 BUDGETED WATER OPERATING REVENUES



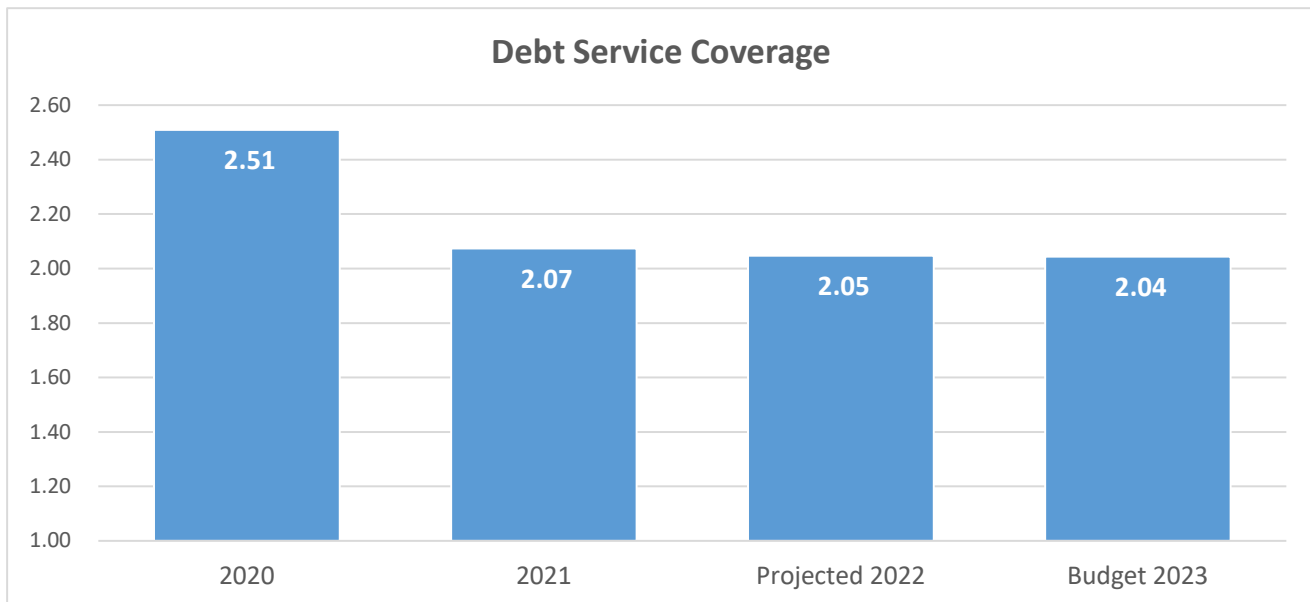
2023 BUDGETED WATER OPERATING EXPENSES



	2020	2021	Projected 2022	Budget 2023
Operating revenues	\$ 4,117,925	\$ 4,101,110	\$ 4,126,206	\$ 4,141,900
Investment income	24,591	5,434	7,823	15,000
Less: Operation and maintenance expenses	(2,088,363)	(2,409,633)	(2,458,280)	(2,504,707)
Net Defined Earnings	\$ 2,054,153	\$ 1,696,911	\$ 1,675,749	\$ 1,652,193
Minimum Required Earnings per Resolution:				
Highest annual debt service	818,556	818,556	818,556	808,331
Coverage Factor	1.25	1.25	1.25	1.25
Minimum Required Earnings	\$ 1,023,195	\$ 1,023,195	\$ 1,023,195	\$ 1,010,414
Actual Debt Coverage	2.51	2.07	2.05	2.04

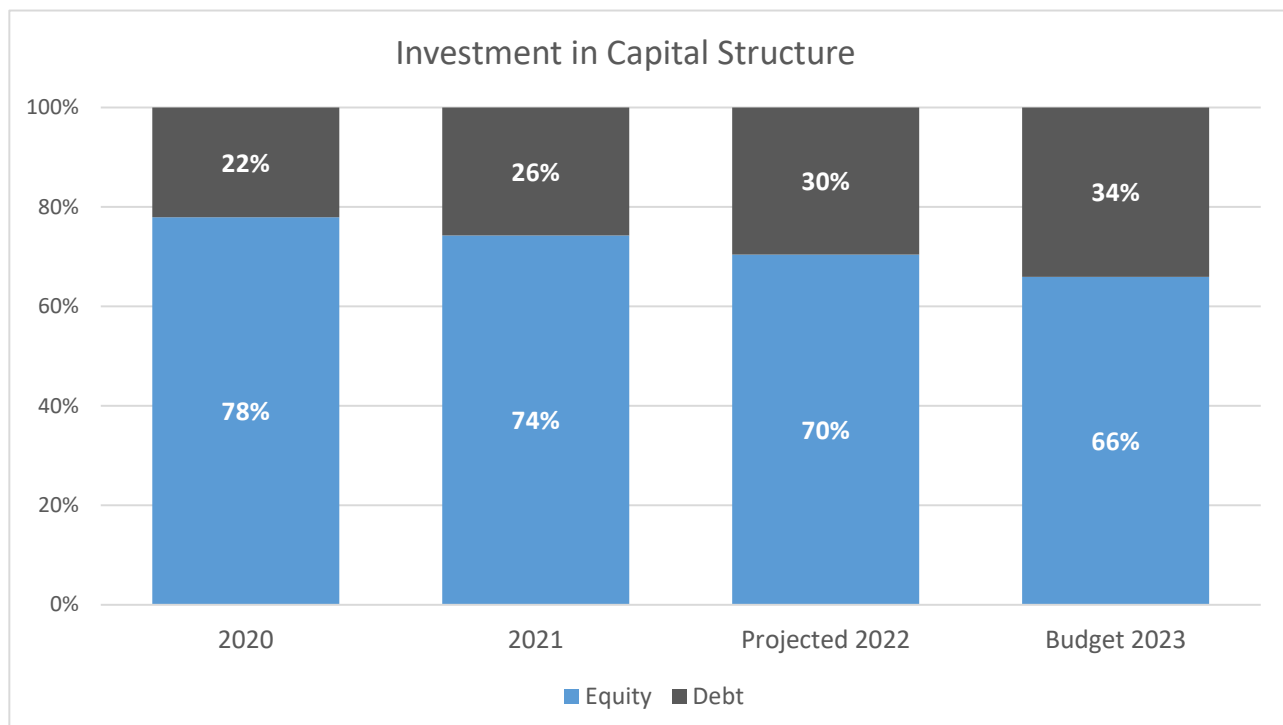
Water Bond Covenants

The System will produce earnings equivalent of not less than 1.25 times annual principal and interest requirements on the Outstanding Bonds, the Bonds and any parity bonds then outstanding after deduction of all operation and maintenance expenses of the System, but before deduction of depreciation charges or local tax equivalents.



	2020	2021	Projected 2022	Budget 2023
Construction work in progress	\$ 1,184,019	\$ 78,416	\$ 950,333	\$ 1,307,538
Plant in service	35,613,335	39,566,184	41,554,770	45,133,254
Accumulated depreciation	(8,741,617)	(9,252,164)	(9,752,164)	(10,502,164)
Sub Totals	28,055,737	30,392,436	32,752,939	35,938,628
Less: Capital related debt				
Current portion of capital related debt	570,000	595,000	600,000	350,000
Long-term portion of capital related debt	7,615,000	7,020,000	6,420,000	8,463,000
Anticipated debt issuance	-	-	2,393,000	3,175,000
Other capital related liabilities	-	368,059	-	-
Unamortized debt premium	302,619	286,525	270,431	254,337
Bond proceeds	(2,288,984)	(441,894)	-	-
Sub Totals	6,198,635	7,827,690	9,683,431	12,242,337
Total Net Investment in Capital Assets	\$ 21,857,102	\$ 22,564,746	\$ 23,069,508	\$ 23,696,291

Equity Ratio	78%	74%	70%	66%
Debt Ratio	22%	26%	30%	34%



Kaukauna Utilities
Capital Improvement Plan
Water Utility
2023 thru 2027

Projects by Category

Proj#	Project Name	2023	2024	2025	2026	2027	Total
Administration							
W22-01	50 Private Lead Service Lateral Replacement	100,000	100,000	100,000	100,000	100,000	\$ 500,000
W27-01	#8 Well Replacement	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Administration Total		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 150,000	\$ 550,000
Distribution Watermain Relays							
WM23-01	Loderbauer Road extension	608,625	-	-	-	-	\$ 608,625
WM23-02	5th St (Reaume Ave to Crooks Ave)	344,325	-	-	-	-	\$ 344,325
WM23-03	Hendricks Ave (4th St to 5th St)	143,500	-	-	-	-	\$ 143,500
WM23-04	Park St (Kenneth Ave to Hendricks Ave), Klein St (Sullivan Ave to Hendricks Ave)	515,788	-	-	-	-	\$ 515,788
WM23-05	Canal Crossings	1,070,500	-	-	-	-	\$ 1,070,500
WM23-06	4th St (Hendricks Ave to Crooks Ave), 5th St (Hendricks Ave to Reaume Ave)	844,875	-	-	-	-	\$ 844,875
WM24-01	Oviatt and Division Area	-	2,096,302	-	-	-	\$ 2,096,302
WM24-02	Kenneth Ave (3rd St to 10th St)	-	1,080,554	-	-	-	\$ 1,080,554
WM25-01	Desnoyer Area	-	-	1,978,000	-	-	\$ 1,978,000
WM26-01	Draper to W Wisconsin side streets	-	-	-	1,323,000	-	\$ 1,323,000
WM26-02	Water Main Relay - Riverside Park and River Crossing (Wisconsin Ave. to the Fox River)	-	-	-	817,000	-	\$ 817,000
WM27-01	Kenneth Ave Area Southside Relay	-	-	-	-	252,000	\$ 252,000
WM27-02	11th St (Eden Ave to Sullivan Ave)	-	-	-	-	257,000	\$ 257,000
WM27-03	12th St (Kenneth Ave to Sullivan Ave)	-	-	-	-	146,000	\$ 146,000
WM27-04	13th St (Thelen Ave to Sullivan Ave)	-	-	-	-	267,000	\$ 267,000
WM27-05	Sullivan Ave.	-	-	-	-	245,000	\$ 245,000
WM27-06	Cleveland Ave / 8th St	-	-	-	-	600,000	\$ 600,000
Distribution Watermain Relays Total		\$ 3,527,613	\$ 3,176,856	\$ 1,978,000	\$ 2,140,000	\$ 1,767,000	\$ 12,589,469
Vehicles/Large Equipment							
W01	Tools/Miscellaneous Equipment	15,000	15,000	15,000	15,000	15,000	\$ 75,000
W02	Meters	95,000	50,000	50,000	50,000	50,000	\$ 295,000
WV23-01	Replace #10 Well Pump & Drive along with new Piping and Electrical	165,000	-	-	-	-	\$ 165,000
WV23-02	Cathodic Protection Installation-Industrial Water Tower	20,000	-	-	-	-	\$ 20,000
WV24-01	Replace V62 (2016 Ford F150) with Electric Vehicle	-	37,000	-	-	-	\$ 37,000
WV24-02	Install Transfer Switch at #9 Well	-	65,000	-	-	-	\$ 65,000
WV26-01	Replace V56 (2015 Chevy 2500HD) with Electric Vehicle	-	-	-	75,000	-	\$ 75,000
Vehicles/Large Equipment Total		\$ 295,000	\$ 167,000	\$ 65,000	\$ 140,000	\$ 65,000	\$ 732,000
Total		\$ 3,922,613	\$ 3,443,856	\$ 2,143,000	\$ 2,380,000	\$ 1,982,000	\$ 13,871,469