



3015 (02-09-04)

ANNUAL REPORT

OF

Name: GOLF HILLS SANITARY DISTRICT #1

Principal Office: 3152 W. BARRY DRIVE
P.O. BOX 1045
LAKE GENEVA, WI 53147

For the Year Ended: DECEMBER 31, 1997

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: GOLF HILLS SANITARY DISTRICT #1

Utility Address: 3152 W. BARRY DRIVE
P.O. BOX 1045
LAKE GENEVA, WI 53147

When was utility organized? 5/6/1952

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MRS KATHY WEGRZYN

Title: BUSINESS MANAGER

Office Address:

3152 W. BARRY DRIVE
P.O. BOX 1045
LAKE GENEVA, WI 53147

Telephone: (414) 248 - 4350

Fax Number:

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name: MRS KAREN S HALL CPA

Title: AUDITOR

Office Address: PATRICK W. ROMENESKO, S.C.

1001 HOST DRIVE
P.O. BOX 508
LAKE GENEVA, WI 53147

Telephone: (414) 248 - 0220

Fax Number: (414) 248 - 8429

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: MR PATRICK W ROMENESKO CPA

Title: AUDITOR/SHAREHOLDER

Office Address: PATRICK W. ROMENESKO, S.C.

1001 HOST DRIVE
P.O. BOX 508
LAKE GENEVA, WI 53147

Telephone: (414) 248 - 0220

Fax Number: (414) 248 - 8429

E-mail Address:

Date of most recent audit report: 3/5/1998

Period covered by most recent audit: YEAR ENDED DECEMBER 31, 1997

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MRS KATHY WEGRZYN

Title: BUSINESS MANAGER

Office Address:

3152 W. BARRY DRIVE
P.O. BOX 1045
LAKE GENEVA, WI 53147

Telephone: (414) 248 - 4350

Fax Number:

E-mail Address:

Name of utility commission/committee: GOLF HILLS SANITARY DISTRICT COMMISSION

Names of members of utility commission/committee:

MR JAMES WEBER
MRS LOIS WEBER
MR RICHARD WEGRYZYN

Is sewer service rendered by the utility? YES

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes? NO

Date of Ordinance:

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	22,177	22,640	1
Operating Expenses:			
Operation and Maintenance Expense (401)	21,341	22,874	2
Depreciation Expense (403)	3,100	3,098	3
Amortization Expense (404)	0	0	4
Taxes (408)	217	201	5
Total Operating Expenses	24,658	26,173	
Net Operating Income	(2,481)	(3,533)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(2,481)	(3,533)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	5,023	4,939	9
Miscellaneous Nonoperating Income (421)	(4,181)	(5,710)	10
Total Other Income	842	(771)	
Total Income	(1,639)	(4,304)	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	(1,639)	(4,304)	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	1,733	2,135	13
Amortization of Debt Discount and Expense (428)	0	0	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	1,733	2,135	
Net Income	(3,372)	(6,439)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	(89,838)	(77,176)	19
Balance Transferred from Income (433)	(3,372)	(6,439)	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	6,223	6,223	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	(99,433)	(89,838)	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
 2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE	0	1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE	0	2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE	0	3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
Special assessment interest	3,788	4
Interest earned on investments	1,235	5
Total (Acct. 419):	5,023	
Miscellaneous Nonoperating Income (421):		
Non-regulated sewer	(4,266)	6
Net garbage assessment revenue	85	7
Total (Acct. 421):	(4,181)	
Miscellaneous Amortization (425):		
NONE	0	8
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE	0	9
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE	0	10
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
Public fire protection charge waived by utility	6,223	11
Total (Acct. 435)--Debit:	6,223	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215	0	12
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE	0	13
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)	0	0	0	0	0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold	0	0	0	0	0	2
Payroll	0	0	0	0	0	3
Materials	0	0	0	0	0	4
Taxes	0	0	0	0	0	5
Other (list by major classes):						
NONE	0	0	0	0	0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
 2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	22,177	0	0	0	22,177	1
Less: interdepartmental sales	0	0	0	0	0	2
Less: interdepartmental rents	0	0			0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained	0	0			0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE	0	0			0	6
Revenues subject to Wisconsin Remainder Assessment	22,177	0	0	0	22,177	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	342,956	342,401	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	42,479	39,294	2
Net Utility Plant	300,477	303,107	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	437,555	437,555	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	65,522	60,173	4
Net Nonutility Property	372,033	377,382	
Investment in Municipality (123)	0	0	5
Other Investments (124)	29,114	33,983	6
Special Funds (125)	12,212	10,484	7
Total Other Property and Investments	413,359	421,849	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	14,329	23,603	8
Temporary Cash Investments (132)	8,339	0	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	4,167	4,174	11
Other Accounts Receivable (143)	4,310	4,575	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	25,237	23,632	14
Materials and Supplies (150)	0	0	15
Prepayments (165)	515	1,145	16
Other Current and Accrued Assets (170)	0	0	17
Total Current and Accrued Assets	56,897	57,129	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	770,733	782,085	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	45,800	45,800	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	(99,433)	(89,838)	23
Total Proprietary Capital	(53,633)	(44,038)	
LONG-TERM DEBT			
Bonds (221)		0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	22,800	29,200	26
Total Long-Term Debt	22,800	29,200	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	8,243	6,923	28
Payables to Municipality (233)	0	543	29
Customer Deposits (235)	0	0	30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	336	430	32
Other Current and Accrued Liabilities (238)	0	0	33
Total Current and Accrued Liabilities	8,579	7,896	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0	0	35
Other Deferred Credits (253)	10,507	9,897	36
Total Deferred Credits	10,507	9,897	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)	0	0	37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	782,130	779,130	38
Total Liabilities and Other Credits	770,383	782,085	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	342,956	0	0	0	1
Utility Plant Purchased or Sold (391)	0	0	0	0	2
Utility Plant in Process of Reclassification (392)	0	0	0	0	3
Utility Plant Leased to Others (393)	0	0	0	0	4
Property Held for Future Use (394)	0	0	0	0	5
Construction Work in Progress (395)	0	0	0	0	6
Utility Plant Acquisition Adjustments (396)	0	0	0	0	7
Other Utility Plant Adjustments (397)	0	0	0	0	8
Total Utility Plant	342,956	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	42,479	0	0	0	9
Total Accumulated Provision	42,479	0	0	0	
Net Utility Plant	300,477	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	39,294				39,294	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	3,100				3,100	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	85				85	6
Accruals charged other						7
accounts (specify):						8
NONE	0				0	9
Salvage	0				0	10
Other credits (specify):						11
NONE	0				0	12
Total credits	3,185	0	0	0	3,185	13
Debits during year						14
Book cost of plant retired	0				0	15
Cost of removal	0				0	16
Other debits (specify):						17
NONE	0				0	18
Total debits	0	0	0	0	0	19
Balance End of Year	42,479	0	0	0	42,479	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	0.90%					22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	437,555	0	0	437,555	1
Other (specify):					
NONE	0	0	0	0	2
Total Nonutility Property (121)	437,555	0	0	437,555	
Less accum. prov. depr. & amort. (122)	60,173	5,349	0	65,522	3
Net Nonutility Property	377,382	(5,349)	0	372,033	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)
Balance first of year	0 1
Additions:	
Provision for uncollectibles during year	0 2
Collection of accounts previously written off: Utility Customers	0 3
Collection of accounts previously written off: Others	0 4
Total Additions	0
Deductions:	
Accounts written off during the year: Utility Customers	0 5
Accounts written off during the year: Others	0 6
Total accounts written off	0
Balance end of year	0

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation	0	0	0	0	0	0 1
Other	0	0	0	0	0	0 2
Total Electric Utility					0	0

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility	0	0 2
Sewer utility	0	0 3
Gas utility	0	0 4
Merchandise	0	0 5
Other materials & supplies	0	0 6
Total Materials and Supplies	0	0

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
NONE				1
Total			<u>0</u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	45,800	1
Changes during year (explain):		
NONE	0	2
Balance end of year	<u><u>45,800</u></u>	

BONDS (ACCT. 221)

- 1. Report hereunder information required for each separate issue of bonds.
- 2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
- 3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
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NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
1994 Bank Loan	10/03/1994	10/06/1999	6.00%	22,800	1
Total for Account 224				22,800	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	217	2
Charged electric department expense	0	3
Charged sewer department expense	0	4
Other (explain):		
NONE	0	5
Total Accruals and other credits	<u>217</u>	
Taxes paid during year:		
County, state and local taxes	0	6
Social Security taxes	217	7
PSC Remainder Assessment	0	8
Other (explain):		
NONE	0	9
Total payments and other debits	<u>217</u>	
Balance end of year	<u><u>0</u></u>	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE				0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE				0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
1994 Bank Loan	430	1,733	1,827	336	3
Subtotal	430	1,733	1,827	336	
Notes Payable (231)					
NONE				0	4
Subtotal	0	0	0	0	
Total	430	1,733	1,827	336	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	338,256	0	0	440,874	0	779,130	1
Add credits during year:							
For Services	700	0	0	2,300	0	3,000	2
For Mains	0	0	0	0	0	0	3
Other (specify):							
NONE	0	0	0	0	0	0	4
Deduct charges (specify):							
NONE	0	0	0	0	0	0	5
Balance End of Year	338,956	0	0	443,174	0	782,130	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	103,702	0	0	135,298	0	239,000	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)		Balance End of Year (b)
Investment in Municipality (123):		
NONE	0	1
Total (Acct. 123):	0	
Other Investments (124):		
Special assessments receivable	29,114	2
Total (Acct. 124):	29,114	
Special Funds (125):		
Depreciation reserve fund	12,212	3
Total (Acct. 125):	12,212	
Notes Receivable (141):		
NONE	0	4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	4,167	5
Electric	0	6
Sewer (Regulated)	0	7
Other (specify):		
NONE	0	8
Total (Acct. 142):	4,167	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	4,310	9
Merchandising, jobbing and contract work	0	10
Other (specify):		
NONE	0	11
Total (Acct. 143):	4,310	
Receivables from Municipality (145):		
Water & sewer delinquent bills placed on town tax roll	6,073	12
Special assessments placed on town tax roll	8,657	13
Garbage assessments placed on town tax roll	10,507	14
Total (Acct. 145):	25,237	
Prepayments (165):		
Insurance	200	15
January 1998-business manager's salary	315	16
Total (Acct. 165):	515	
Extraordinary Property Losses (182):		
NONE	0	17
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Other Deferred Debits (183):		
NONE	0	18
Total (Acct. 183):	0	
Payables to Municipality (233):		
NONE	0	19
Total (Acct. 233):	0	
Other Deferred Credits (253):		
Garbage revenue to be recognized in 1998	10,507	20
Total (Acct. 253):	10,507	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	342,678	0	0	0	342,678	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	40,886	0	0	0	40,886	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	338,606	0	0	0	338,606	6
Other (specify):						
NONE					0	7
Average Net Rate Base	(36,814)	0	0	0	(36,814)	
Net Operating Income	(2,481)	0	0	0	(2,481)	8
Net Operating Income as a percent of Average Net Rate Base						
	N/A	N/A	N/A	N/A	N/A	N/A

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	45,800	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	(94,635)	3
Other (Specify):		
NONE	0	4
Total Average Proprietary Capital	(48,835)	
Net Income		
Net Income	(3,372)	5
Percent Return on Proprietary Capital	N/A	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

NONE

2. Leaseholder changes.

NONE

3. Extensions of service.

NONE

4. Estimated changes in revenues due to rate changes.

NONE

5. Obligations incurred or assumed, excluding commercial paper.

NONE

6. Formal proceedings with the Public Service Commission.

NONE

7. Any additional matters.

NONE

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

October 22, 1998

Ms. Kathy Wegrzyn, Business Manager
Golf Hills Sanitary District # 1
P.O. Box 1045
Lake Geneva, WI 53147-1045

1997 Analytical Review DWCCA-3254-PJL

Dear Ms. Wegrzyn:

The Public Service Commission (Commission) is in the process of completing an analytical review of your utility's 1997 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. Paragraph No. 1 of our letter dated November 21, 1996, with regard to analytical review of the 1995 annual report, authorized a revised composite depreciation rate of 1.57 percent, to be effective on January 1, 1997. The revised rate of 1.57 percent was not used during 1997, rather the old rate of 0.90 percent was used as reported on page F-7, line 22. Please confirm that the revised composite depreciation rate of 1.57 percent will be used beginning in 1998.

2. Please provide the vendor name and the point of delivery, lines 27 and 28 of the Source Of Supply, Pumping And Purchased Water Statistics schedule on page W-10 and follow this procedure in the future.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

pjl:tlk:W:\compl\leege\3254 ar

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	21,679	1
Total Sales of Water	21,679	
Other Operating Revenues		
Forfeited Discounts (470)	0	2
Other Water Revenues (474)	498	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	498	
Total Operating Revenues	22,177	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	15,473	5
General Operating Expenses (680-690)	5,868	6
Total Operation and Maintenance Expenses	21,341	
Other Operating Expenses		
Depreciation Expense (403)	3,100	7
Amortization Expense (404)	0	8
Taxes (408)	217	9
Total Other Operating Expenses	3,317	
Total Operating Expenses	24,658	
NET OPERATING INCOME	(2,481)	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	0	0	0	1
Commercial	0	0	0	2
Industrial	0	0	0	3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	83	4,115	15,456	4
Commercial	0	0	0	5
Industrial	0	0	0	6
Total Metered Sales to General Customers (461)	83	4,115	15,456	
Private Fire Protection Service (462)	0		0	7
Public Fire Protection Service (463)	1		6,223	8
Other Sales to Public Authorities (464)	0	0	0	9
Sales to Irrigation Customers (465)	0	0	0	10
Sales for Resale (466)	0	0	0	11
Interdepartmental Sales (467)	0	0	0	12
Total Sales of Water	84	4,115	21,679	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------	----------------------------------	--	-------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
 2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
 3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	6,223	1
Wholesale fire protection billed	0	2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)	0	3
Other (specify):		
NONE	0	4
Total Public Fire Protection Service (463)	6,223	
Forfeited Discounts (470):		
NONE	0	5
Total Forfeited Discounts (470)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	498	6
Other (specify):		
NONE	0	7
Total Other Water Revenues (474)	498	
Amortization of Construction Grants (475):		
NONE	0	8
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	0	1
Purchased Water (610)	15,420	2
Fuel or Power Purchased for Pumping (620)	0	3
Chemicals (630)	0	4
Supplies and Expenses (640)	0	5
Repairs of Water Plant (650)	53	6
Transportation Expenses (660)	0	7
Total Plant Operation and Maintenance Expenses	15,473	
 GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	3,057	8
Office Supplies and Expenses (681)	172	9
Outside Services Employed (682)	2,365	10
Insurance Expense (684)	200	11
Employees Pensions and Benefits (686)	0	12
Regulatory Commission Expenses (688)	0	13
Miscellaneous General Expenses (689)	74	14
Uncollectible Accounts (690)	0	15
Total General Operating Expenses	5,868	
 Total Operation and Maintenance Expenses	 21,341	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		1	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		0	2
Net property tax equivalent		0	
Social Security		176	3
PSC Remainder Assessment		41	4
Other (specify): NONE		0	5
Total tax expense		217	

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0	0	1
Franchises and Consents (302)	0	0	2
Miscellaneous Intangible Plant (303)	0	0	3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0	0	4
Structures and Improvements (311)	0	0	5
Collecting and Impounding Reservoirs (312)	0	0	6
Lake, River and Other Intakes (313)	0	0	7
Wells and Springs (314)	0	0	8
Infiltration Galleries and Tunnels (315)	0	0	9
Supply Mains (316)	0	0	10
Other Water Source Plant (317)	0	0	11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	0	0	12
Structures and Improvements (321)	0	0	13
Boiler Plant Equipment (322)	0	0	14
Other Power Production Equipment (323)	0	0	15
Steam Pumping Equipment (324)	0	0	16
Electric Pumping Equipment (325)	0	0	17
Diesel Pumping Equipment (326)	0	0	18
Hydraulic Pumping Equipment (327)	0	0	19
Other Pumping Equipment (328)	0	0	20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0	0	21
Structures and Improvements (331)	0	0	22
Water Treatment Equipment (332)	0	0	23
Total Water Treatment Plant	0	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0	0	24
Structures and Improvements (341)	0	0	25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)	0	0	0 1
Franchises and Consents (302)	0	0	0 2
Miscellaneous Intangible Plant (303)	0	0	0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0	0	0 4
Structures and Improvements (311)	0	0	0 5
Collecting and Impounding Reservoirs (312)	0	0	0 6
Lake, River and Other Intakes (313)	0	0	0 7
Wells and Springs (314)	0	0	0 8
Infiltration Galleries and Tunnels (315)	0	0	0 9
Supply Mains (316)	0	0	0 10
Other Water Source Plant (317)	0	0	0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)	0	0	0 12
Structures and Improvements (321)	0	0	0 13
Boiler Plant Equipment (322)	0	0	0 14
Other Power Production Equipment (323)	0	0	0 15
Steam Pumping Equipment (324)	0	0	0 16
Electric Pumping Equipment (325)	0	0	0 17
Diesel Pumping Equipment (326)	0	0	0 18
Hydraulic Pumping Equipment (327)	0	0	0 19
Other Pumping Equipment (328)	0	0	0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)	0	0	0 21
Structures and Improvements (331)	0	0	0 22
Water Treatment Equipment (332)	0	0	0 23
Total Water Treatment Plant	0	0	0
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0	0	0 24
Structures and Improvements (341)	0	0	0 25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	0	0	26
Transmission and Distribution Mains (343)	267,080	0	27
Fire Mains (344)	0	0	28
Services (345)	27,816	500	29
Meters (346)	18,796	55	30
Hydrants (348)	27,957	0	31
Other Transmission and Distribution Plant (349)	0	0	32
Total Transmission and Distribution Plant	341,649	555	
GENERAL PLANT			
Land and Land Rights (370)	0	0	33
Structures and Improvements (371)	0	0	34
Office Furniture and Equipment (372)	0	0	35
Computer Equipment (372.1)	0	0	36
Transportation Equipment (373)	0	0	37
Other General Equipment (379)	0	0	38
Other Tangible Property (390)	0	0	39
Total General Plant	0	0	
Total utility plant in service directly assignable	341,649	555	
Common Utility Plant Allocated to Water Department	752	0	40
Total utility plant in service	342,401	555	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	0	0	0 26
Transmission and Distribution Mains (343)	0	0	267,080 27
Fire Mains (344)	0	0	0 28
Services (345)	0	0	28,316 29
Meters (346)	0	0	18,851 30
Hydrants (348)	0	0	27,957 31
Other Transmission and Distribution Plant (349)	0	0	0 32
Total Transmission and Distribution Plant	0	0	342,204
GENERAL PLANT			
Land and Land Rights (370)	0	0	0 33
Structures and Improvements (371)	0	0	0 34
Office Furniture and Equipment (372)	0	0	0 35
Computer Equipment (372.1)	0	0	0 36
Transportation Equipment (373)	0	0	0 37
Other General Equipment (379)	0	0	0 38
Other Tangible Property (390)	0	0	0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	342,204
Common Utility Plant Allocated to Water Department	0	0	752 40
Total utility plant in service	0	0	342,956

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January	520	0	0	520	1
February	520	0	0	520	2
March	521	0	0	521	3
April	497	0	0	497	4
May	498	0	0	498	5
June	498	0	0	498	6
July	703	0	0	703	7
August	703	0	0	703	8
September	703	0	0	703	9
October	459	0	0	459	10
November	459	0	0	459	11
December	460	0	0	460	12
Total for year	6,541	0	0	6,541	
Less: Measured or estimated water used in main flushing and water treatment during year				68	13
Less: Other utility use				0	14
Other utility use explanation:					15
Water pumped into distribution system				6,473	16
Less: Water sold				4,115	17
Losses and unaccounted for				2,358	18
Percent unaccounted for to the nearest whole percent (%)				36%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
The utility has been informed of this and is looking into possible corrective action.					
Maximum gallons pumped by all methods in any one day during reporting year					21
Date of maximum:					22
Cause of maximum:					23
Minimum gallons pumped by all methods in any one day during reporting year					24
Date of minimum:					25
Total KWH used for pumping for the year				674	26
If water is purchased: Vendor Name: Lake Geneva Water Commission					27
Point of Delivery: Highway 50 Water Main					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)
-----------------	---------------------------------	-------------------------	-----------------------------------	------------------------------------	---------------------------------

NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)

NONE

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------------	-----------------------------	-----------------------------	-----------------------------

NONE

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------------	-----------------------------	-----------------------------	-----------------------------

NONE

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
P	D	6.000	5,129	0	0	0	5,129
P	D	8.000	1,316	0	0	0	1,316
Total Within Municipality			6,445	0	0	0	6,445
Total Utility			6,445	0	0	0	6,445

1
2

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	74	0	0	0	74	0	1
M	1.000	6	1	0	0	7	0	2
Total Utility		80	1	0	0	81	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (a).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	1
0.750	82	0	0	6	88	9	
Total:	82	0	0	6	88	9	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	1
0.750	88	0	0	0	0	0	88	
Total:	88	0	0	0	0	0	88	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0	0	0	0	0	1
Within Municipality	14	0	0	2	16	2
Total Fire Hydrants	14	0	0	2	16	
Flushing Hydrants						
	0	0	0	0	0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	16
Number of distribution system valves end of year:	21
Number of distribution valves operated during year:	9

WATER OPERATING SECTION FOOTNOTES

Water Utility Plant in Service (Page W-08)

Meters (346) Cost for new meter is labor for installing meter only. Used final meter in stock.

Water Services (Page W-16)

New services are charged per the utility's PSC rate order.

Meters (Page W-17)

Adjustment to meters due to a comprehensive inventory taken in 1997.

Hydrants and Distribution System Valves (Page W-18)

The utility did a recount of hydrants in 1997 and recorded an adjustment of 2 in column (e).
