



3015 (02-09-04)

ANNUAL REPORT

OF

Name: CITY OF HILLSBORO MUNICIPAL WATER UTILITY

Principal Office: P.O. BOX 447
HILLSBORO, WI 54634

For the Year Ended: DECEMBER 31, 1998

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: CITY OF HILLSBORO MUNICIPAL WATER UTILITY

Utility Address: P.O. BOX 447
HILLSBORO, WI 54634

When was utility organized? 1/1/1997

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: JANE ALEXANDER

Title: CITY CLERK

Office Address:

P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (608) 489 - 2521

Fax Number: (608) 489 - 3905

E-mail Address:

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

Name: KIESLING ASSOCIATES, LLP

Title: CERTIFIED PUBLIC ACCOUNTANTS

Office Address: KIESLING ASSOCIATES, LLP

117 WEST COURT STREET
P.O. BOX 271
VIROQUA, WI 54665

Telephone: (608) 637 - 2082

Fax Number: (608) 637 - 3021

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: KIESLING ASSOCIATES, LLP

Title: CERTIFIED PUBLIC ACCOUNTANTS

Office Address: KIESLING ASSOCIATES, LLP

117 WEST COURT STREET
P.O. BOX 271
VIROQUA, WI 54665

Telephone: (608) 637 - 2082

Fax Number: (608) 637 - 3021

E-mail Address:

Date of most recent audit report: 12/31/1997

Period covered by most recent audit: JANUARY 1 TO DECEMBER 31, 1998

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MIKE LANGE

Title: UTILITY SUPERINTENDENT

Office Address:

P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (608) 489 - 2521

Fax Number: (608) 489 - 3905

E-mail Address:

Name of utility commission/committee: COMMON COUNCIL

Names of members of utility commission/committee:

- RAYMOND DYAR
 - DONALD EHLER, REV.
 - GREGORY KUBARSKI
 - MARY JO ONSAGER
 - ALAN PICHA, MAYOR
 - JEFREY REVELS
 - ROBERT STEKEL
 - ARNOLD SUACINA
 - JOHN WILLEY
-

Is sewer service rendered by the utility? NO

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)	188,580	160,339	1
Operating Expenses:			
Operation and Maintenance Expense (401)	100,924	79,303	2
Depreciation Expense (403)	25,676	25,335	3
Amortization Expense (404)	0	0	4
Taxes (408)	28,682	28,498	5
Total Operating Expenses	155,282	133,136	
Net Operating Income	33,298	27,203	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	33,298	27,203	
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)	11,845	13,911	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	11,845	13,911	
Total Income	45,143	41,114	
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	45,143	41,114	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	38,401	39,657	13
Amortization of Debt Discount and Expense (428)	3,186	3,186	14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	1,920	2,340	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	43,507	45,183	
Net Income	1,636	(4,069)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	134,551	181,834	19
Balance Transferred from Income (433)	1,636	(4,069)	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	43,214	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)	136,187	134,551	

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		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INTEREST INCOME ON INVESTMENTS AND DEBT RESERVES	11,845	4
Total (Acct. 419):	11,845	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
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	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					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	188,580	0	0	0	188,580	1
Less: interdepartmental sales	2,651		0	0	2,651	2
Less: interdepartmental rents					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	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	185,929	0	0	0	185,929	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,304,418	1,303,768	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	210,730	184,006	2
Net Utility Plant	1,093,688	1,119,762	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	41,717	41,717	5
Other Investments (124)	0	0	6
Special Funds (125)	110,627	86,023	7
Total Other Property and Investments	152,344	127,740	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	232,234	272,444	8
Temporary Cash Investments (132)	12,686	12,312	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	11,470	13,413	11
Other Accounts Receivable (143)	1,604	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	6,465	3,761	14
Materials and Supplies (150)	13,606	12,548	15
Prepayments (165)	2,779	2,454	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	280,844	316,932	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	34,394	37,580	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	34,394	37,580	
Total Assets and Other Debits	1,561,270	1,602,014	

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)	489,520	489,520	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	136,187	134,551	23
Total Proprietary Capital	625,707	624,071	
LONG-TERM DEBT			
Bonds (221)	688,800	712,800	24
Advances from Municipality (223)	24,000	32,000	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	712,800	744,800	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	13,454	1,822	28
Payables to Municipality (233)	2,026	6,505	29
Customer Deposits (235)			30
Taxes Accrued (236)	26,960	46,305	31
Interest Accrued (237)	12,570	13,025	32
Other Current and Accrued Liabilities (238)	751	484	33
Total Current and Accrued Liabilities	55,761	68,141	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	167,002	165,002	38
Total Liabilities and Other Credits	1,561,270	1,602,014	

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)	1,304,418	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	1,304,418	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	210,730	0	0	0	9
Total Accumulated Provision	210,730	0	0	0	
Net Utility Plant	1,093,688	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	184,006				184,006	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	25,676				25,676	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,223				1,223	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	26,899	0	0	0	26,899	13
Debits during year						14
Book cost of plant retired	175				175	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	175	0	0	0	175	19
Balance End of Year	210,730	0	0	0	210,730	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						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	0			0	1
Other (specify):	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

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

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

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 1
Other					0	0 2
Total Electric Utility					0	0

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility	13,606	12,548 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	13,606	12,548

**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)				
1987 MRB	1,977	428	20,557	1
1995 MRB	1,209	428	13,837	2
Total			34,394	
Unamortized premium on debt (251)				
NONE	0	0	0	3
Total			0	

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	489,520	1
Changes during year (explain):		2
Balance end of year	489,520	

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)	
MORTGAGE REVENUE BONDS	10/01/1995	09/01/2015	5.00%	688,800	1
Total Bonds (Account 221):				688,800	

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)	
Advances (223)					
ADVANCE FROM CITY	02/01/1984	02/01/2000	6.00%	24,000	1
Total for Account 223				24,000	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	46,305	1
Accruals:		
Charged water department expense	28,682	2
Charged electric department expense		3
Charged sewer department expense	626	4
Other (explain):		
NONE		5
Total Accruals and other credits	29,308	
Taxes paid during year:		
County, state and local taxes	46,305	6
Social Security taxes	2,150	7
PSC Remainder Assessment	198	8
Other (explain):		
NONE		9
Total payments and other debits	48,653	
Balance end of year	26,960	

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)					
MRBS	13,025	38,401	38,856	12,570	1
Subtotal	13,025	38,401	38,856	12,570	
Advances from Municipality (223)					
ADVANCE FROM CITY	0	1,920	1,920	0	2
Subtotal	0	1,920	1,920	0	
Other long-Term Debt (224)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	13,025	40,321	40,776	12,570	

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	165,002	0	0	0	0	165,002	1
Add credits during year:							
For Services	2,000					2,000	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	167,002	0	0	0	0	167,002	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	111,590					111,590	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):		
INVESTMENT IN MUNICIPALITY	41,717	1
Total (Acct. 123):	41,717	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
DEBT SERVICE RESERVE	74,400	3
DEBT SERVICE RESERVE #2	1,636	4
BOND DEPRECIATION SAVINGS	10,339	5
BOND RESERVE SAVINGS #3	10,666	6
BOND DEPRECIATION	13,586	7
Total (Acct. 125):	110,627	
Notes Receivable (141):		
NONE		8
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	11,470	9
Electric		10
Sewer (Regulated)		11
Other (specify):		12
Total (Acct. 142):	11,470	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		13
Merchandising, jobbing and contract work		14
Other (specify):		
INTEREST RECEIVABLE	1,604	15
Total (Acct. 143):	1,604	
Receivables from Municipality (145):		
RECEIVABLE FROM MUNICIPALITY- MISCELLANEOUS	86	16
RECEIVABLE FROM SEWER - WATER/SEWER ALLOCATION	6,379	17
Total (Acct. 145):	6,465	
Prepayments (165):		
INSURANCE	2,779	18
Total (Acct. 165):	2,779	

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)
Extraordinary Property Losses (182):	
NONE	19
Total (Acct. 182):	0
Other Deferred Debits (183):	
NONE	20
Total (Acct. 183):	0
Payables to Municipality (233):	
PAYABLE TO MUNICIPALITY - INSURANCE, MISCELLANEOUS	2,026 21
Total (Acct. 233):	2,026
Other Deferred Credits (253):	
NONE	22
Total (Acct. 253):	0

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	1,304,093	0	0	0	1,304,093	1
Materials and Supplies	13,077	0	0	0	13,077	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	197,368	0	0	0	197,368	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	166,002	0	0	0	166,002	6
Other (specify):					0	7
Average Net Rate Base	953,800	0	0	0	953,800	
Net Operating Income	33,298	0	0	0	33,298	8
Net Operating Income as a percent of Average Net Rate Base	3.49%	N/A	N/A	N/A	3.49%	

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	489,520	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	135,369	3
Other (Specify):		4
Total Average Proprietary Capital	624,889	
Net Income		
Net Income	1,636	5
Percent Return on Proprietary Capital	0.26%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

THE UTILITY EXPERIENCED A FULL YEAR OF RATES UNDER PRESENT PSC RATE ORDER.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

THE UTILITY IDENTIFIED A FAULTY METER AT ONE OF IT'S INDUSTRIAL CUSTOMERS RESULTING IN AN OVERBILLING. SALES STATISTICS HAVE BEEN ADJUSTED FOR THIS MATTER IN THE ANNUAL REPORT. THE UTILITY WILL MAKE A REFUND IN 1999 TO THE CUSTOMER AS A RESULT OF THE OVERBILLING/FAULTY METER.

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

(KIESLING ASSOCIATES LLP LETTERHEAD)

To the Members of the Common Council
The City of Hillsboro
Hillsboro, Wisconsin 54634

We have compiled the balance sheets of the Hillsboro Municipal Water Utility as of December 31, 1998 and 1997, and the related statements of income and retained earnings for the years then ended, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting, in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differs from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

KIESLING ASSOCIATES, LLP
Viroqua, Wisconsin
March 26, 1999

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

June 22, 1999

Ms. Jane Alexander, City Clerk
City of Hillsboro Municipal Water Utility
P.O. Box 447
Hillsboro, WI 54634-0447

1998 Analytical Review DWCCA-2550-PJL

Dear Ms. Alexander:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 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:

During our review of the Source Of Supply, Pumping And Purchased Water Statistics schedule on page W-10, we noted that the utility did not provide the Total KWH used for pumping for the year on line 26, and in the footnotes for that page it is noted that this number is not known by the utility. Please explain why that information is not available.

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\analytical review letters\june 22 1999 rev letters L 1.doc

cc: Mr. Raymond Dyar

Response received 10/22/99.
kwh used should be 132,000.
Review closed.
PJL

FINANCIAL SECTION FOOTNOTES

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	186,922	1
Total Sales of Water	186,922	
Other Operating Revenues		
Forfeited Discounts (470)	0	2
Other Water Revenues (474)	1,658	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	1,658	
Total Operating Revenues	188,580	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	64,227	5
General Operating Expenses (680-690)	36,697	6
Total Operation and Maintenance Expenses	100,924	
Other Operating Expenses		
Depreciation Expense (403)	25,676	7
Amortization Expense (404)		8
Taxes (408)	28,682	9
Total Other Operating Expenses	54,358	
Total Operating Expenses	155,282	
NET OPERATING INCOME	33,298	

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				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	525	20,754	57,058	4
Commercial	63	4,775	8,701	5
Industrial	10	47,135	35,482	6
Total Metered Sales to General Customers (461)	598	72,664	101,241	
Private Fire Protection Service (462)				
Public Fire Protection Service (463)	1		72,015	8
Other Sales to Public Authorities (464)	21	6,448	11,015	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)	4	2,042	2,651	12
Total Sales of Water	624	81,154	186,922	

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)	72,015	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify): NONE		4
Total Public Fire Protection Service (463)	72,015	
Forfeited Discounts (470):		
Customer late payment charges		5
Other (specify): NONE		6
Total Forfeited Discounts (470)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,449	7
Other (specify): MISCELLANEOUS	209	8
Total Other Water Revenues (474)	1,658	
Amortization of Construction Grants (475):		
NONE		9
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)	18,198	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	7,372	3
Chemicals (630)	21,316	4
Supplies and Expenses (640)	4,754	5
Repairs of Water Plant (650)	11,917	6
Transportation Expenses (660)	670	7
Total Plant Operation and Maintenance Expenses	64,227	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	12,292	8
Office Supplies and Expenses (681)	3,426	9
Outside Services Employed (682)	7,568	10
Insurance Expense (684)	3,380	11
Employees Pensions and Benefits (686)	9,105	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	926	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	36,697	
Total Operation and Maintenance Expenses	100,924	

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		26,960	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		626	2
Net property tax equivalent		26,334	
Social Security		2,150	3
PSC Remainder Assessment		198	4
Other (specify): NONE			5
Total tax expense		28,682	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Vernon				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.230179				3
County tax rate	mills		6.469136				4
Local tax rate	mills		10.191026				5
School tax rate	mills		12.479723				6
Voc. school tax rate	mills		2.396197				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		31.766261				10
Less: state credit	mills		1.880676				11
Net tax rate	mills		29.885585				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		10.191026				14
Combined School Tax Rate	mills		14.875920				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		25.066946				17
Total Tax Rate	mills		31.766261				18
Ratio of Local and School Tax to Total	dec.		0.789106				19
Total tax net of state credit	mills		29.885585				20
Net Local and School Tax Rate	mills		23.582893				21
Utility Plant, Jan. 1	\$	1,303,768	1,303,768				22
Materials & Supplies	\$	12,548	12,548				23
Subtotal	\$	1,316,316	1,316,316				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	1,316,316	1,316,316				26
Assessment Ratio	dec.		0.868474				27
Assessed Value	\$	1,143,186	1,143,186				28
Net Local & School Rate	mills		23.582893				29
Tax Equiv. Computed for Current Year	\$	26,960	26,960				30
Tax Equivalent per 1994 PSC Report	\$	12,274					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32 33
Tax equiv. for current year (see note 6)	\$	26,960					34

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)	437		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	437	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	579		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	7,971		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	8,550	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	9,069		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	119,759		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	1,507		20
Total Pumping Plant	130,335	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	8,704		24
Structures and Improvements (341)	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)			437	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	437	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			579	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			7,971	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	8,550	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			9,069	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			119,759	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			1,507	20
Total Pumping Plant	0	0	130,335	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
Total Water Treatment Plant	0	0	0	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			8,704	24
Structures and Improvements (341)			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)	197,868		26
Transmission and Distribution Mains (343)	658,087		27
Fire Mains (344)	0		28
Services (345)	142,719		29
Meters (346)	48,278	825	30
Hydrants (348)	72,616		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,128,272	825	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	3,000		34
Office Furniture and Equipment (372)	1,424		35
Computer Equipment (372.1)	10,457		36
Transportation Equipment (373)	10,757		37
Other General Equipment (379)	10,536		38
Other Tangible Property (390)	0		39
Total General Plant	36,174	0	
Total utility plant in service directly assignable	1,303,768	825	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,303,768	825	

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)			197,868 26
Transmission and Distribution Mains (343)			658,087 27
Fire Mains (344)			0 28
Services (345)			142,719 29
Meters (346)	175		48,928 30
Hydrants (348)			72,616 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	175	0	1,128,922
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			3,000 34
Office Furniture and Equipment (372)			1,424 35
Computer Equipment (372.1)			10,457 36
Transportation Equipment (373)			10,757 37
Other General Equipment (379)			10,536 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	36,174
Total utility plant in service directly assignable	175	0	1,304,418
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	175	0	1,304,418

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			5,220	5,220	1
February			4,026	4,026	2
March			4,173	4,173	3
April			4,683	4,683	4
May			5,368	5,368	5
June			6,182	6,182	6
July			4,990	4,990	7
August			5,150	5,150	8
September			4,920	4,920	9
October			5,285	5,285	10
November			4,162	4,162	11
December			3,878	3,878	12
Total for year	0	0	58,037	58,037	
Less: Measured or estimated water used in main flushing and water treatment during year				400	13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				57,637	16
Less: Water sold				81,154	17
Losses and unaccounted for				(23,517)	18
Percent unaccounted for to the nearest whole percent (%)				-41%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
THE WATER PUMPAGE STATISTICS ARE CURRENTLY BEING INVESTIGATED BY THE CITY. THE REASON FOR THE WATER PUMPAGE BEING LESS THAN THE AMOUNT SOLD IS NOT KNOWN AT THIS TIME.					
Maximum gallons pumped by all methods in any one day during reporting year				180	21
Date of maximum: 1/30/1998					22
Cause of maximum:					23
HIGH DEMAND DAY - INCREASED DEMAND FOR DAIRY PRODUCTION					
Minimum gallons pumped by all methods in any one day during reporting year				1	24
Date of minimum: 1/3/1998					25
Total KWH used for pumping for the year				0	26
If water is purchased: Vendor Name:					27
Point of Delivery:					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)	
HIGHWAY 33	1	275	12	480,000	Yes	1
MECHANIC STREET	2	327	12	504,000	Yes	2

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)
Identification	1	2	1
Location	HIGHWAY 33	MECHANIC STREET	2
Purpose	P	P	3
Destination	R D	R D	4
Pump Manufacturer	LAYNE NW	WORTHINGTON	5
Year Installed	1993	1988	6
Type	VERTICAL TURBINE	CENTRIFUGAL	7
Actual Capacity (gpm)	420	420	8
Pump Motor or Standby Engine Mfr	US ELECTRICAL	US ELECTRICAL	9
Year Installed	1982	1993	10
Type	ELECTRIC	ELECTRIC	11
Horsepower	30	30	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)
Identification			14
Location			15
Purpose			16
Destination			17
Pump Manufacturer			18
Year Installed			19
Type			20
Actual Capacity (gpm)			21
Pump Motor or Standby Engine Mfr			22
Year Installed			23
Type			24
Horsepower			25

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)
Identification number or name	2		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		3
Year constructed	1982		4
Primary material (earthen, steel, concrete, other)	OTHER		5
Elevation difference in feet (See Headnote 3.)	155		6
Total capacity in gallons	500,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER		9
Points of application (wellhouse, central facilities, booster station, other)	OTHER		10
Filters, type (gravity, pressure, other, none)	NONE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.0000		12
Is a corrosion control chemical used (yes, no)?	Y		13
Is water fluoridated (yes, no)?	N		14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25

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)	
M	D	1.000	1,480	0	0	0	1,480	1
M	D	1.500	3,404	0	0	0	3,404	2
M	D	2.000	1,987	0	0	0	1,987	3
M	D	4.000	130	0	0	0	130	4
M	D	6.000	26,425	0	0	0	26,425	5
M	D	8.000	11,635	0	0	0	11,635	6
M	D	10.000	350	0	0	0	350	7
M	D	12.000	6,930	0	0	0	6,930	8
Total Within Municipality			52,341	0	0	0	52,341	
M	D	10.000	1,295	0	0	0	1,295	9
Total Outside of Municipality			1,295	0	0	0	1,295	
Total Utility			53,636	0	0	0	53,636	

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	0.625	28	0	0	0	28		1
M	0.750	521	4	0	0	525	8	2
M	1.000	75	0	0	0	75	2	3
M	1.250	9	0	0	0	9		4
M	1.500	2	0	0	0	2		5
M	2.000	5	0	0	0	5		6
M	4.000	7	0	0	0	7		7
Total Utility		647	4	0	0	651	10	

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 (o).

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)	
0.625	636	12	5	(17)	626	59	1
1.000	5	0	0	0	5	0	2
1.500	4	0	0	1	5	0	3
2.000	7	0	0	0	7	0	4
4.000	5	0	0	1	6	0	5
Total:	657	12	5	(15)	649	59	

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)	
0.625	521	63	9	15	0	18	626	1
1.000	0	2	0	3	0	0	5	2
1.500	0	1	1	1	0	2	5	3
2.000	0	1	0	5	0	1	7	4
4.000	1	0	1	3	0	1	6	5
Total:	522	67	11	27	0	22	649	

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	2				2	1
Within Municipality	90				90	2
Total Fire Hydrants	92	0	0	0	92	
Flushing Hydrants						
	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:	92
Number of distribution system valves end of year:	96
Number of distribution valves operated during year:	50

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Account 630 - Chemicals - Increase due to an increase in additional chemicals needed for water treatment.

Account 660 - Repairs of Water Plant - Increase due to additional maintenance and locating leaks.

Account 681 - Office Supplies and Expense - Decrease due to fewer supplies needed throughout the year.

Account 682 - Outside Services Employed - Increase due to increase in professional services received.

Account 684 - Insurance Expense - Decrease due to change in allocation methods.

Account 686 - Employee Pensions & Benefits - Increase due to increase in retirement benefits.

Account 688 - Regulatory Commission Expense - Decrease due to rate case in 1997 and not in 1998.

Pumping and Purchased Water Statistics (Page W-10)

THE TOTAL KWH USED FOR PUMPING IS NOT KNOWN BY THE UTILITY.

Water Services (Page W-16)

THE WATER SERVICES ADDED IN 1998 WERE RECLASSIFIED FROM PRIOR YEAR UTILITY OWNED SERVICES NOT IN USE.

Meters (Page W-17)

ADJUSTMENT WAS NECESSARY TO BRING METER COUNTS TO ACTUAL.
