



3015 (02-09-04)

ANNUAL REPORT

OF

Name: OSSEO MUNICIPAL WATER AND SEWER UTILITY

Principal Office: 110 W 8TH STREET
P.O. BOX 308
OSSEO, WI 54758

For the Year Ended: DECEMBER 31, 2001

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: OSSEO MUNICIPAL WATER AND SEWER UTILITY

Utility Address: 110 W 8TH STREET
P.O. BOX 308
OSSEO, WI 54758

When was utility organized? 1/1/1928

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MR JAMES R DEICH
Title: PUBLIC WORKS DIRECTOR

Office Address:
110 W 8TH STREET
OSSEO, WI 54758

Telephone: (715) 597 - 3015
Fax Number: (715) 597 - 3015

E-mail Address:

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

Name: KRISTI ZARINS
Title:

Office Address: VIRCHOW KRAUSE & COMPANY
P.O. BOX 1148
EAU CLAIRE, WI 54702

Telephone: (715) 833 - 1717 EXT 12
Fax Number: (715) 836 - 7877

E-mail Address: kzarins@virchowkrause.com

President, chairman, or head of utility commission/board or committee:

Name: MR JIM DEICH
Title: PUBLIC WORKS DIRECTOR

Office Address:
110 W 8TH STREET
P.O. BOX 308
OSSEO, WI 54758

Telephone: (715) 597 - 3015
Fax Number: (715) 597 - 3015

E-mail Address:

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

IDENTIFICATION AND OWNERSHIP

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

Name:

Title:

Office Address: VIRCHOW KRAUSE & COMPANY
P.O. BOX 1148
EAU CLAIRE, WI 54755

Telephone: (715) 833 - 1717

Fax Number: (715) 836 - 7877

E-mail Address:

Date of most recent audit report: 2/10/2001

Period covered by most recent audit: THE YEAR ENDED DECEMBER 31, 2000.

Names and titles of utility management including manager or superintendent:

Name: MR DALE OLSON

Title: UTILITY SUPERINDENDENT

Office Address:

110 W 8TH STREET
P.O. BOX 308
OSSEO, WI 54758

Telephone: (715) 597 - 3015

Fax Number: (715) 597 - 3015

E-mail Address:

Name of utility commission/committee: OSSEO CITY COUNCIL

Names of members of utility commission/committee:

MR JIM DEICH, PUBLIC WORKS DIRECTOR
MR TODD KITTLESON, CITY COUNCIL MEMBER
MR LONNIE ZINGSHIEM

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. § 66.0819 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:

IDENTIFICATION AND OWNERSHIP

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)	367,904	360,261	1
Operating Expenses:			
Operation and Maintenance Expense (401)	147,661	143,805	2
Depreciation Expense (403)	56,717	54,447	3
Amortization Expense (404)	0	0	4
Taxes (408)	67,940	69,810	5
Total Operating Expenses	272,318	268,062	
Net Operating Income	95,586	92,199	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	95,586	92,199	
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)	18,874	18,068	9
Miscellaneous Nonoperating Income (421)	104,627	(12,437)	10
Total Other Income	123,501	5,631	
Total Income	219,087	97,830	
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	219,087	97,830	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	22,691	17,817	13
Amortization of Debt Discount and Expense (428)		734	14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	6,400		18
Total Interest Charges	16,291	18,551	
Net Income	202,796	79,279	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	(276,546)	(355,825)	19
Balance Transferred from Income (433)	202,796	79,279	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	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)	(73,750)	(276,546)	

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 ON INVESTMENTS	18,874	4
Total (Acct. 419):	18,874	
Miscellaneous Nonoperating Income (421):		
SEWER OPERATIONS	104,627	5
Total (Acct. 421):	104,627	
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):						
NONE					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	367,904	0	0	0	367,904	1
Less: interdepartmental sales	0		0	0	0	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:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	367,904	0	0	0	367,904	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,884,932	2,879,371	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	705,201	657,418	2
Net Utility Plant	2,179,731	2,221,953	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	4,054,889	2,628,559	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	757,681	706,253	4
Net Nonutility Property	3,297,208	1,922,306	
Investment in Municipality (123)	0	0	5
Other Investments (124)	5,393	7,085	6
Special Funds (125)	151,968	144,854	7
Total Other Property and Investments	3,454,569	2,074,245	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	283,985	118,224	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	59,399	40,086	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	766,300	273,120	14
Materials and Supplies (150)	4,483	4,300	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	1,114,167	435,730	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	14,000	4,039	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	14,000	4,039	
Total Assets and Other Debits	6,762,467	4,735,967	

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)	1,499,473	1,504,249	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	(73,750)	(276,546)	23
Total Proprietary Capital	1,425,723	1,227,703	
LONG-TERM DEBT			
Bonds (221)	713,944	301,690	24
Advances from Municipality (223)	162,431	162,431	25
Other long-Term Debt (224)	1,128,550	0	26
Total Long-Term Debt	2,004,925	464,121	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	274,375	12,602	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	6,374	1,382	32
Other Current and Accrued Liabilities (238)	5,388	5,547	33
Total Current and Accrued Liabilities	286,137	19,531	
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)	3,045,682	3,024,612	38
Total Liabilities and Other Credits	6,762,467	4,735,967	

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)	2,884,932	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	2,884,932	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	705,201	0	0	0	9
Total Accumulated Provision	705,201	0	0	0	
Net Utility Plant	2,179,731	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT (ACCT. 110)

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	657,418				657,418	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	56,717				56,717	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,782				1,782	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	58,499	0	0	0	58,499	13
Debits during year						14
Book cost of plant retired	10,716				10,716	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	10,716	0	0	0	10,716	19
Balance End of Year	705,201	0	0	0	705,201	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	2,628,559	18,493		2,647,052	1
Other (specify):					
CONSTRUCTION IN PROGRESS	0	1,407,837		1,407,837	2
Total Nonutility Property (121)	2,628,559	1,426,330	0	4,054,889	
Less accum. prov. depr. & amort. (122)	706,253	51,428		757,681	3
Net Nonutility Property	1,922,306	1,374,902	0	3,297,208	

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	4,483	4,300 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	4,483	4,300

**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)				
SEWER DEBT ISSUANCE COSTS	0	428	14,000	1
Total			<u><u>14,000</u></u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u><u>0</u></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	1,504,249	1
Changes during year (explain):		
ADJUSTMENT FROM PRIOR YEAR	(4,776)	2
Balance end of year	<u><u>1,499,473</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)	
1994 MRB WATER	03/01/1994	02/01/2013	4.20%	283,944	1
1994 MRB SEWER	03/01/1994	12/01/2013	5.57%	430,000	2
Total Bonds (Account 221):				713,944	

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 GENERAL FUND	01/01/1993	01/01/2005	0.00%	162,431	1
Total for Account 223				162,431	
Other Long-Term Debt (224)					
CLEAN WATER FUND	08/22/2001	05/01/2021	2.75%	1,122,101	2
CAPTIAL LEASE PAYABLE	01/10/2001	02/10/2002	0.00%	6,449	3
Total for Account 224				1,128,550	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	63,246	2
Charged electric department expense		3
Charged sewer department expense	638	4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>63,884</u>	
Taxes paid during year:		
County, state and local taxes	59,190	6
Social Security taxes	4,266	7
PSC Remainder Assessment	428	8
Other (explain):		
NONE		9
Total payments and other debits	<u>63,884</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)					
1994 MRB WATER	1,382	16,291	16,372	1,301	1
Subtotal	1,382	16,291	16,372	1,301	
Advances from Municipality (223)					
ADVANCE TO GENERAL FUND	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
CLEAN WATER FUND	0	6,400	1,327	5,073	3
Subtotal	0	6,400	1,327	5,073	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	1,382	22,691	17,699	6,374	

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	1,238,826	0	0	1,785,786	0	3,024,612	1
Add credits during year:							
For Services	8,373			1,974		10,347	2
For Mains	6,470			4,253		10,723	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	1,253,669	0	0	1,792,013	0	3,045,682	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	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		1
Total (Acct. 123):	0	
Other Investments (124):		
SPECIAL ASSESSMENTS	5,393	2
Total (Acct. 124):	5,393	
Special Funds (125):		
WATER REPLACEMENT	16,889	3
SEWER REPLACEMENT	52,928	4
WATER RESERVE FUND	82,151	5
Total (Acct. 125):	151,968	
Notes Receivable (141):		
NONE		6
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	59,399	7
Electric		8
Sewer (Regulated)		9
Other (specify):		
NONE		10
Total (Acct. 142):	59,399	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		11
Merchandising, jobbing and contract work		12
Other (specify):		
NONE		13
Total (Acct. 143):	0	
Receivables from Municipality (145):		
DUE FROM GENERAL FUND	766,300	14
Total (Acct. 145):	766,300	
Prepayments (165):		
NONE		15
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		16
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)
<hr/>	
Other Deferred Debits (183):	
NONE	17
Total (Acct. 183):	0
<hr/>	
Payables to Municipality (233):	
NONE	18
Total (Acct. 233):	0
<hr/>	
Other Deferred Credits (253):	
NONE	19
Total (Acct. 253):	0
<hr/>	

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	2,854,296	0	0	0	2,854,296	1
Materials and Supplies	4,391	0	0	0	4,391	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	681,309	0	0	0	681,309	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	1,246,247	0	0	0	1,246,247	6
Other (specify):						
NONE					0	7
Average Net Rate Base	931,131	0	0	0	931,131	
Net Operating Income	95,586	0	0	0	95,586	8
Net Operating Income as a percent of Average Net Rate Base						
	10.27%	N/A	N/A	N/A	10.27%	

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	1,501,861	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	(175,148)	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	1,326,713	
Net Income		
Net Income	202,796	5
Percent Return on Proprietary Capital	15.29%	

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.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-18)

Per review response:

The balance of \$766,300 in account 145 consists of the net amount the general fund owes to the water utility. This includes the unpaid property tax equivalent, unpaid hydrant rental, and many other items paid for by the general fund on behalf of the water utility or vice versa.

Signature Page (Page ii)

ACCOUNTANTS' COMPILATION REPORT

To the City Council
City of Osseo
Osseo, WI 54758

We have compiled the accompanying PSC Report of the Osseo Water and Sewer Utility, an enterprise fund of the City of Osseo, as of December 31, 2001 and 2000, in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

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

VIRCHOW, KRAUSE & COMPANY, LLP

Eau Claire, Wisconsin
February 15, 2002

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

September 20, 2002

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs
610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

RE: City of Osseo

James Deich of the City of Osseo has asked me to reply to your letter dated September 9, 2002 regarding your 2001 analytical review of the City's annual report.

1. The balance of \$766,300 in account 145 consists of the net amount the general fund owes to the water utility. This includes the unpaid property tax equivalent, unpaid hydrant rental, and many other items paid for by the general fund on behalf of the water utility or vice versa.

2. The note regarding water mains on page W-19 should read as follows. "Approximately 65% of the water main additions were financed by contributions from a developer. The remaining 35% were financed with available funds of the water utility." Therefore no additions were reported for Account 200, Capital Paid in by Municipality on page F-12.

3. The amount reported for "Utility Plant, Jan. 1" will include construction work in progress in the future.

Please contact me if I can be of further assistance.

Sincerely,

Kristi Zarins, CPA

cc: James Deich

September 9, 2002

Mr. James R. Deich, Public Works Director
Osseo Municipal Water & Sewer Utility
110 West 8th Street
Osseo, WI 54758-9999

2001 Analytical Review DWCCA-4490-PJL

Dear Mr. Deich:

FINANCIAL SECTION FOOTNOTES

The Public Service Commission (Commission) staff has completed its analytical review of your utility's 2001 annual report. The primary purpose of the analytical review is to detect possible reporting or accounting related errors and also to identify significant fluctuations from prior years' data that are not sufficiently explained in the annual report. The analytical review did identify the following issues:

1. As directed in the headnotes of the Balance Sheet End-Of-Year Account Balances schedule on page F-18, please provide a more detailed description for the \$766,300 reported in Account 145 on page F-18 and follow this procedure in the future.
2. Please explain why there are no additions reported for Account 200, Capital Paid in by Municipality on page F-12 for those Water Mains described as financed by the city.
3. During our review, we noted that the amount reported for "Utility Plant, Jan. 1" on the Property Tax Equivalent schedule, page W-7, is incorrect. The plant amount should include construction work in progress (see schedule headnote No. 4). The correct amount should come from the prior year's Net Utility Plant schedule, page F-4. Please follow this procedure in the future.

Responding to the questions posed from the analytical review does not preclude you from possibly receiving other inquiries from our office regarding your annual report in the future: for instance, during a rate case, construction authorization, or other Commission reviews.

We appreciate your cooperation in providing the above information. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. We prefer that you respond by e-mail if it is convenient for you to do so. My e-mail address is peter.leege@psc.state.wi.us. 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

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Osseo.doc

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	364,753	1
Total Sales of Water	364,753	
Other Operating Revenues		
Forfeited Discounts (470)	1,304	2
Other Water Revenues (474)	1,847	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	3,151	
Total Operating Revenues	367,904	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	81,593	5
General Operating Expenses (680-690)	66,068	6
Total Operation and Maintenance Expenses	147,661	
Other Operating Expenses		
Depreciation Expense (403)	56,717	7
Amortization Expense (404)		8
Taxes (408)	67,940	9
Total Other Operating Expenses	124,657	
Total Operating Expenses	272,318	
NET OPERATING INCOME	95,586	

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. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

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	665	27,568	120,472	4
Commercial	100	17,440	50,444	5
Industrial				6
Total Metered Sales to General Customers (461)	765	45,008	170,916	
Private Fire Protection Service (462)	3		4,682	7
Public Fire Protection Service (463)	1		162,017	8
Other Sales to Public Authorities (464)	28	19,904	27,138	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	797	64,912	364,753	

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 or Fd-1)	162,017	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)	162,017	
Forfeited Discounts (470):		
Customer late payment charges	848	5
Other (specify):		
NONE	456	6
Total Forfeited Discounts (470)	1,304	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,611	7
Other (specify):		
OTHER	236	8
Total Other Water Revenues (474)	1,847	
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)	33,002	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	10,686	3
Chemicals (630)	16,836	4
Supplies and Expenses (640)	2,544	5
Repairs of Water Plant (650)	10,625	6
Transportation Expenses (660)	7,900	7
Total Plant Operation and Maintenance Expenses	81,593	
 GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	28,987	8
Office Supplies and Expenses (681)	4,123	9
Outside Services Employed (682)	9,588	10
Insurance Expense (684)	11,299	11
Employees Pensions and Benefits (686)	6,122	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	5,949	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	66,068	
 Total Operation and Maintenance Expenses	147,661	

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		63,884	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		638	2
Net property tax equivalent		63,246	
Social Security		4,266	3
PSC Remainder Assessment		428	4
Other (specify): NONE			5
Total tax expense		67,940	

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 § 66.0811(2). 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			Trempealeau				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.194790				3
County tax rate	mills		5.790450				4
Local tax rate	mills		9.225220				5
School tax rate	mills		12.586740				6
Voc. school tax rate	mills		1.772520				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		29.569720				10
Less: state credit	mills		1.590690				11
Net tax rate	mills		27.979030				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		9.225220				14
Combined School Tax Rate	mills		14.359260				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		23.584480				17
Total Tax Rate	mills		29.569720				18
Ratio of Local and School Tax to Total	dec.		0.797589				19
Total tax net of state credit	mills		27.979030				20
Net Local and School Tax Rate	mills		22.315763				21
Utility Plant, Jan. 1	\$	2,823,661	2,823,661				22
Materials & Supplies	\$	4,300	4,300				23
Subtotal	\$	2,827,961	2,827,961				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	2,827,961	2,827,961				26
Assessment Ratio	dec.		1.012300				27
Assessed Value	\$	2,862,745	2,862,745				28
Net Local & School Rate	mills		22.315763				29
Tax Equiv. Computed for Current Year	\$	63,884	63,884				30
Tax Equivalent per 1994 PSC Report	\$	48,646					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	63,884					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)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	10,439		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)	16,741		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	2,085		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	29,265	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	3,095		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	74,063	22,345	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	77,158	22,345	
WATER TREATMENT PLANT			
Land and Land Rights (330)	300		21
Structures and Improvements (331)	18,018		22
Water Treatment Equipment (332)	33,231		23
Total Water Treatment Plant	51,549	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	760		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)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			10,439 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)			16,741 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			2,085 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	29,265
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			3,095 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			96,408 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	99,503
WATER TREATMENT PLANT			
Land and Land Rights (330)			300 21
Structures and Improvements (331)			18,018 22
Water Treatment Equipment (332)			33,231 23
Total Water Treatment Plant	0	0	51,549
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			760 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)	972,909		26
Transmission and Distribution Mains (343)	1,156,154	9,997	27
Fire Mains (344)	0		28
Services (345)	210,654	18,734	29
Meters (346)	56,476	12,991	30
Hydrants (348)	218,264	1,696	31
Other Transmission and Distribution Plant (349)	19,996		32
Total Transmission and Distribution Plant	2,635,213	43,418	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	1,667		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	12,344	6,224	37
Other General Equipment (379)	16,465		38
Other Tangible Property (390)	0		39
Total General Plant	30,476	6,224	
Total utility plant in service directly assignable	2,823,661	71,987	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	2,823,661	71,987	

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)			972,909 26
Transmission and Distribution Mains (343)			1,166,151 27
Fire Mains (344)			0 28
Services (345)	3,561		225,827 29
Meters (346)	7,155		62,312 30
Hydrants (348)			219,960 31
Other Transmission and Distribution Plant (349)			19,996 32
Total Transmission and Distribution Plant	10,716	0	2,667,915
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			1,667 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			18,568 37
Other General Equipment (379)			16,465 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	36,700
Total utility plant in service directly assignable	10,716	0	2,884,932
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	10,716	0	2,884,932

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Sources of Water Supply					
Month	Purchased Water	Surface Water	Ground Water	Total Gallons	
(a)	Gallons	Gallons	Gallons	All Methods	
	(000's)	(000's)	(000's)	(000's)	
(a)	(b)	(c)	(d)	(e)	
January			6,080	6,080	1
February			5,559	5,559	2
March			5,888	5,888	3
April			5,581	5,581	4
May			6,906	6,906	5
June			6,552	6,552	6
July			8,301	8,301	7
August			8,191	8,191	8
September			6,228	6,228	9
October			5,984	5,984	10
November			5,558	5,558	11
December			5,694	5,694	12
Total annual pumpage	0	0	76,522	76,522	
Less: Water sold				64,912	13
Volume pumped but not sold				11,610	14
Volume sold as a percent of volume pumped				85%	15
Volume used for water production, water quality and system maintenance				7,166	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				7,166	19
Volume pumped but unaccounted for				4,444	20
Percent of water lost				6%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				388	23
Date of maximum: 5/16/2001					24
Cause of maximum:					25
Filling a swimming pool.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				105	26
Date of minimum: 3/30/2001					27
Total KWH used for pumping for the year				161,080	28
If water is purchased: Vendor Name:					29
Point of Delivery:					30

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)	
12TH AND ROSE	2	170	15	80,000	Yes	1
9TH AND CHARLES	3	222	20	140,000	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	2	3	1
Location	ROSE	9TH	2
Purpose	P	P	3
Destination	D	D	4
Pump Manufacturer	FRANKLIN ELECTRIC	US ELECTRIC	5
Year Installed	1999	1965	6
Type	SUBMERSIBLE	VERTICAL TURBINE	7
Actual Capacity (gpm)	215	450	8
Pump Motor or Standby Engine Mfr	SPECTRUM	GE	9
Year Installed	2000	1965	10
Type	ELECTRIC	ELECTRIC	11
Horsepower	50	15	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)	1
Identification number or name	2	3	4	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	ET	R	3
Year constructed	1975	1984	1997	4
Primary material (earthen, steel, concrete, other)	CONCRETE	STEEL	STEEL	5
Elevation difference in feet (See Headnote 3.)	50	136	45	6
Total capacity in gallons (actual)	250,000	250,000	400,000	7
WATER TREATMENT PLANT				8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID	LIQUID		9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE	WELLHOUSE		10
Filters, type (gravity, pressure, other, none)	GRAVITY	OTHER		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	50.0000	250.0000		12
Is a corrosion control chemical used (yes, no)?	N	N		13
Is water fluoridated (yes, no)?	N	N		14

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	2.000	229	0	0	0	229	1
M	D	3.000	467	0	0	0	467	2
M	D	4.000	4,487	0	0	0	4,487	3
M	D	6.000	38,111	0	0	0	38,111	4
M	D	8.000	25,068	220	0	0	25,288	5
P	D	8.000	4,083	0	0	0	4,083	6
M	D	10.000	4,591	0	0	0	4,591	7
P	D	10.000	3,118	0	0	0	3,118	8
M	D	12.000	2,328	0	0	0	2,328	9
P	D	12.000	6,562	0	0	0	6,562	10
Total Within Municipality			89,044	220	0	0	89,264	
Total Utility			89,044	220	0	0	89,264	

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	665	1	12	0	654	22	1
M	1.000	147	11	0	0	158	52	2
M	1.250	3	0	0	0	3		3
M	1.500	14	0	0	0	14	5	4
M	2.000	14	0	0	1	15	6	5
M	3.000	3	0	0	0	3		6
M	4.000	8	3	1	0	10	2	7
P	6.000	1	0	0	0	1		8
M	6.000	2	1	0	0	3	1	9
M	8.000	3	0	0	0	3	1	10
Total Utility		860	16	13	1	864	89	

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).
5. Explain all reported adjustments as a schedule footnote.

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)	
0.750	761	130	101	0	790	86	1
1.000	25	0	0	1	26	0	2
1.250	1	0	0	0	1	0	3
1.500	14	0	0	0	14	2	4
2.000	4	1	0	1	6	1	5
3.000	7	1	2	0	6	2	6
4.000	1	0	0	0	1	0	7
Total:	813	132	103	2	844	91	

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)	
0.750	660	64	0	18	0	48	790	1
1.000	0	22	0	2	0	2	26	2
1.250	0	1	0	0	0	0	1	3
1.500	0	12	0	0	0	2	14	4
2.000	0	4	0	2	0	0	6	5
3.000	0	1	0	5	0	0	6	6
4.000	0	0	0	1	0	0	1	7
Total:	660	104	0	28	0	52	844	

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	1
Within Municipality	163	1			164	2
Total Fire Hydrants	163	1	0	0	164	
Flushing Hydrants						
	2				2	3
Total Flushing Hydrants	2	0	0	0	2	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year

Number of hydrants operated during year:	163
Number of distribution system valves end of year:	286
Number of distribution valves operated during year:	55

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Repairs and Maintenance Expense (650) decreased from the prior year. The amount for 2000 was high. The amount of repairs in 2001 is comparable with other years.

Outside Services Employed (682) was higher in 2001 because of outside bookkeeping assistance, and computer support.

Insurance Expense (684) and Employees Pensions and Benefits (686) were combined on one line in prior years. This year the city was able to split out the costs.

Miscellaneous General Expenses (689) have increased from the prior year. I obtained the detail of this account and scanned through all charges. Nothing significant was noted, further analysis is not considered necessary.

Water Utility Plant in Service (Page W-08)

In regard to the additions to electric pumping equipment (Account 325), the city had several problems with their pumps during the year. New pumps were purchased and extensive repairs took place during 2001.

Water Mains (Page W-15)

Approximately 65% of the water main additions were financed by contributions from a developer. The remaining 35% was financed with available funds of the city.

Per review response:

The note regarding water mains on page W-19 should read as follows.

"Approximately 65% of the water main additions were financed by contributions from a developer. The remaining 35% were financed with available funds of the water utility." Therefore no additions were reported for Account 200, Capital Paid in by Municipality on page F-12.

Water Services (Page W-16)

Water Services which were added during 2001 were financed by developer contributions and special assessments.

An adjustment was made because the water services were miscounted in the prior year.

Meters (Page W-17)

Adjustments were made to meters because they were miscounted in the prior year.

Hydrants and Distribution System Valves (Page W-18)

Less than half the distribution valves were tested during 2001 because the water utility operator was recovering from a surgery early in the year, then had another surgery later in the year at the time when the city exercises valves and flushes hydrants. Also, his assistant resigned in the spring and had to be replaced losing valuable work time. The street department did not have anyone to provide assistance due to a death in that area. The city expects to pull manpower from other departments to assist, and be back on schedule in 2002.
