



3015 (02-09-04)

ANNUAL REPORT

OF

Name: LIBERTY GROVE SANITARY DISTRICT NO. 1

Principal Office: P.O. BOX 174
SISTER BAY, WI 54234

For the Year Ended: DECEMBER 31, 1997

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

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

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

SIGNATURE PAGE

I DAVID SMITH of
(Person responsible for accounts)

Liberty Grove Sanitary District No. 1, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

(Signature of person responsible for accounts) 03/09/1998
(Date)

DISTRICT PRESIDENT
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: LIBERTY GROVE SANITARY DISTRICT NO. 1

Utility Address: P.O. BOX 174
SISTER BAY, WI 54234

When was utility organized? 12/31/1979

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MR DAVID R. SMITH

Title: PRESIDENT

Office Address:

10956 HILLCREST ROAD
P.O. BOX 174
SISTER BAY, WI 54234

Telephone: (920) 854 - 2443

Fax Number: (920) 854 - 9474

E-mail Address:

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

Name: MRS CAROL ANN CHRISTNOVICH

Title: SUPERVISOR

Office Address: HAWKINS, ASH, BAPTIE & CO, LLP

99 MILWAUKEE STREET
P.O. BOX 1508
LA CROSSE, WI 54602

Telephone: (608) 784 - 7737 EXT 219

Fax Number: (608) 785 - 2140

E-mail Address: CCHRISTNOVICH@HABCO.COM

Are records of utility audited by individuals or firms, other than utility employee? NO

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

Name: NONE

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

Date of most recent audit report:

Period covered by most recent audit:

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MR DAVID R. SMITH

Title: PRESIDENT

Office Address:

P.O. BOX 174
SISTER BAY, WI 54234

Telephone: (920) 854 - 2443

Fax Number: (920) 854 - 9474

E-mail Address:

Name: MR FRED N ANDERSON

Title: TREASURER

Office Address:

Telephone:

Fax Number:

E-mail Address:

Name: MR RICHARD J SCHELLER

Title: SECRETARY

Office Address:

Telephone:

Fax Number:

E-mail Address:

Name of utility commission/committee: Liberty Grove Sanitary District Board

Names of members of utility commission/committee:

Is sewer service rendered by the utility? YES

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

Date of Ordinance:

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? YES

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

IDENTIFICATION AND OWNERSHIP

Firm Name: VILLAGE OF SISTER BAY
P.O. BOX 769
SISTER BAY, WI 54234

Contact Person: MR RONALD CANE
Title: VILLAGE ADMINISTRATOR
Telephone: (920) 854 - 9637
Fax Number: (920) 854 - 4118

E-mail Address:

Contract/Agreement beginning-ending dates:

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

The Village services and maintains the District's Water and Sewer System in regards to meter reading, billing, collecting, maintaining and general upkeep of the systems. The charges for these services are billed quarterly.

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	44,585	44,405	1
Operating Expenses:			
Operation and Maintenance Expense (401)	17,383	17,073	2
Depreciation Expense (403)	12,847	7,605	3
Amortization Expense (404)	0	0	4
Taxes (408)	62	66	5
Total Operating Expenses	30,292	24,744	
Net Operating Income	14,293	19,661	
Income from Utility Plant Leased to Others (412-413)	0		6
Utility Operating Income	14,293	19,661	
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)	16,305	10,263	9
Miscellaneous Nonoperating Income (421)	0	7,900	10
Total Other Income	16,305	18,163	
Total Income	30,598	37,824	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	11,870	501	12
Total Miscellaneous Income Deductions	11,870	501	
Income Before Interest Charges	18,728	37,323	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	11,755	13,232	13
Amortization of Debt Discount and Expense (428)	675	675	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	12,430	13,907	
Net Income	6,298	23,416	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	256,751	233,335	19
Balance Transferred from Income (433)	6,298	23,416	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)	263,049	256,751	

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):		
Associated Bank	3,619	4
BayLake Bank	6,933	5
Interest Receivable	2,413	6
Northshore Bank	3,340	7
Total (Acct. 419):	16,305	
Miscellaneous Nonoperating Income (421):		
NONE		8
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		9
Total (Acct. 425):	0	
Other Income Deductions (426):		
Annual Bank Fee	525	10
Non-regulated Sewer Dept Loss	11,345	11
Total (Acct. 426):	11,870	
Miscellaneous Credits to Surplus (434):		
NONE		12
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		13
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		14
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		15
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	44,585	0	0	0	44,585	1
Less: interdepartmental sales	0	0	0		0	2
Less: interdepartmental rents	0	0			0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained	0	0			0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	44,585	0	0	0	44,585	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	790,340	708,737	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	153,774	141,090	2
Net Utility Plant	636,566	567,647	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	976,081	906,035	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	204,856	190,740	4
Net Nonutility Property	771,225	715,295	
Investment in Municipality (123)	0	0	5
Other Investments (124)	114,221	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	885,446	715,295	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	23,031	19,567	8
Temporary Cash Investments (132)	202,994	218,510	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	7,922	7,602	11
Other Accounts Receivable (143)	8,047	7,911	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	24,631	0	14
Materials and Supplies (150)	0	0	15
Prepayments (165)	0	78	16
Other Current and Accrued Assets (170)	3,569	1,156	17
Total Current and Accrued Assets	270,194	254,824	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	675	1,350	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	675	1,350	
Total Assets and Other Debits	1,792,881	1,539,116	

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)	0	0	21
Appropriated Earned Surplus (215)	0	0	22
Unappropriated Earned Surplus (216)	263,049	256,751	23
Total Proprietary Capital	263,049	256,751	
LONG-TERM DEBT			
Bonds (221)	142,716	151,014	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	150,000	40,000	26
Total Long-Term Debt	292,716	191,014	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	13,593	8,292	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)	0	0	30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	3,103	1,630	32
Other Current and Accrued Liabilities (238)	0	0	33
Total Current and Accrued Liabilities	16,696	9,922	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0		34
Customer Advances for Construction (252)	0	0	35
Other Deferred Credits (253)	6,404	0	36
Total Deferred Credits	6,404	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)	0	0	37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	1,214,016	1,081,429	38
Total Liabilities and Other Credits	1,792,881	1,539,116	

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)	790,340	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	790,340	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	153,774	0	0	0	9
Total Accumulated Provision	153,774	0	0	0	
Net Utility Plant	636,566	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	141,090				141,090	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	12,847				12,847	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	195				195	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	13,042	0	0	0	13,042	13
Debits during year						14
Book cost of plant retired	358				358	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	358	0	0	0	358	19
Balance End of Year	153,774	0	0	0	153,774	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	1.74%					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	906,035	70,046		976,081	1
Other (specify):					
NONE				0	2
Total Nonutility Property (121)	906,035	70,046	0	976,081	
Less accum. prov. depr. & amort. (122)	190,740	14,116		204,856	3
Net Nonutility Property	715,295	55,930	0	771,225	

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

Particulars (a)	Amount (b)	
Balance first of year		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	1
Other					0	2
Total Electric Utility					0	0

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

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

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

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
General Obligation Note	675	428	675	1
Total			675	
Unamortized premium on debt (251)				
Total			0	2

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
Changes during year (explain):	2
Balance end of year	0

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	05/01/1990	11/01/2009	5.00%	142,716	1
Total Bonds (Account 221):				142,716	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
General Obligation Note	06/01/1988	06/01/1998	10.00%	0	1
1997 Baylake Bank Note	05/30/1997	10/03/2000	5.00%	150,000	2
Total for Account 224				150,000	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	62	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	62	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes		7
PSC Remainder Assessment	62	8
Other (explain):		
NONE		9
Total payments and other debits	62	
Balance end of year	0	

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)					
Mortgage Revenue Bonds	1,295	7,702	7,768	1,229	1
Subtotal	1,295	7,702	7,768	1,229	
Advances from Municipality (223)					
NONE				0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
General Obligation Note	335	2,179	2,514	0	3
1997 Baylake Bank Note	0	1,874	0	1,874	4
Subtotal	335	4,053	2,514	1,874	
Notes Payable (231)					
NONE				0	5
Subtotal	0	0	0	0	
Total	1,630	11,755	10,282	3,103	

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	497,820			583,609		1,081,429	1
Add credits during year:							
For Services	6,952			5,365		12,317	2
For Mains	62,336			60,118		122,454	3
Other (specify):							
Hookup Charges	750					750	4
Deduct charges (specify):							
Amortization of grants	2,934					2,934	5
Balance End of Year	564,924	0	0	649,092	0	1,214,016	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	187,760					187,760	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 Receivable	114,221	2
Total (Acct. 124):	114,221	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	7,922	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	7,922	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	8,047	9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	8,047	
Receivables from Municipality (145):		
Due from Town of Liberty Grove	24,631	12
Total (Acct. 145):	24,631	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	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/>		
Payables to Municipality (233):		
NONE		16
Total (Acct. 233):	0	
<hr/>		
Other Deferred Credits (253):		
Deferred Special Assessment	6,404	17
Total (Acct. 253):	6,404	

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	749,538	0	0	0	749,538	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	147,432	0	0	0	147,432	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	531,372	0	0	0	531,372	6
Other (specify):						
NONE					0	7
Average Net Rate Base	70,734	0	0	0	70,734	
Net Operating Income	14,293	0	0	0	14,293	8
Net Operating Income as a percent of Average Net Rate Base						
	20.21%	N/A	N/A	N/A	20.21%	

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	0	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	259,900	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	259,900	
Net Income		
Net Income	6,298	5
 Percent Return on Proprietary Capital	 2.42%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

A water and sewer extension was completed on Hillcrest Road. Debt was issued to cover these costs. Property owners have been assessed costs based on assessable footage of property.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

A promissory note in the amount of \$150,000 was issued during the year to pay for the water and sewer extension project.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Materials and Supplies (Page F-10)

Materials and supplies are purchased on an "as needed" basis from Sister Bay Utilities.

Identification and Ownership - Commission/Committee (Page iv)

The members of the utility commission are the same as the individuals listed on Page iv, Copy 2.

Identification and Ownership - Contacts (Page iv)

The Sanitary District's records are not audited.

The addresses and phone and fax numbers of secretary and treasurer of District are not available.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	40,223	1
Total Sales of Water	40,223	
Other Operating Revenues		
Forfeited Discounts (470)	156	2
Other Water Revenues (474)	1,272	3
Amortization of Construction Grants (475)	2,934	4
Total Other Operating Revenues	4,362	
Total Operating Revenues	44,585	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	11,140	5
General Operating Expenses (680-690)	6,243	6
Total Operation and Maintenance Expenses	17,383	
Other Operating Expenses		
Depreciation Expense (403)	12,847	7
Amortization Expense (404)	0	8
Taxes (408)	62	9
Total Other Operating Expenses	12,909	
Total Operating Expenses	30,292	
NET OPERATING INCOME	14,293	

WATER OPERATING REVENUES - SALES OF WATER

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

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	0			1
Commercial	0			2
Industrial	0			3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	88	3,377	18,484	4
Commercial	23	4,246	13,976	5
Industrial				6
Total Metered Sales to General Customers (461)	111	7,623	32,460	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		7,763	8
Other Sales to Public Authorities (464)				9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	112	7,623	40,223	

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)	7,763	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)	7,763	
Forfeited Discounts (470):		
Late payment penalty	156	5
Total Forfeited Discounts (470)	156	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	150	6
Other (specify):		
Reconnection Charges	1,122	7
Total Other Water Revenues (474)	1,272	
Amortization of Construction Grants (475):		
Water Construction Grant Amortization	2,934	8
Total Amortization of Construction Grants (475)	2,934	

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)		1
Purchased Water (610)	5,722	2
Fuel or Power Purchased for Pumping (620)	1,053	3
Chemicals (630)		4
Supplies and Expenses (640)	3,985	5
Repairs of Water Plant (650)	380	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	11,140	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	1,450	8
Office Supplies and Expenses (681)		9
Outside Services Employed (682)	3,401	10
Insurance Expense (684)	227	11
Employees Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	1,165	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	6,243	
Total Operation and Maintenance Expenses	17,383	

TAXES (ACCT. 408 - WATER)

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

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)
Property Tax Equivalent		1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		2
Net property tax equivalent		0
Social Security		3
PSC Remainder Assessment		62 4
Other (specify): NONE		5
Total tax expense		62

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)			1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)			8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	8,000		12
Structures and Improvements (321)	155,788		13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)			17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)			20
Total Pumping Plant	163,788	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)			22
Water Treatment Equipment (332)			23
Total Water Treatment Plant	0	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			24
Structures and Improvements (341)			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)			0 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)			0 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	0
PUMPING PLANT			
Land and Land Rights (320)			8,000 12
Structures and Improvements (321)			155,788 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	163,788
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)			0 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)			26
Transmission and Distribution Mains (343)	478,671	59,961	27
Fire Mains (344)			28
Services (345)	39,855	8,350	29
Meters (346)	6,126	905	30
Hydrants (348)	19,932	12,745	31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	544,584	81,961	
GENERAL PLANT			
Land and Land Rights (370)			33
Structures and Improvements (371)			34
Office Furniture and Equipment (372)	365		35
Computer Equipment (372.1)			36
Transportation Equipment (373)			37
Other General Equipment (379)			38
Other Tangible Property (390)			39
Total General Plant	365	0	
Total utility plant in service directly assignable	708,737	81,961	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	708,737	81,961	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			538,632 27
Fire Mains (344)			0 28
Services (345)	163		48,042 29
Meters (346)	195		6,836 30
Hydrants (348)			32,677 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	358	0	626,187
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			365 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	365
Total utility plant in service directly assignable	358	0	790,340
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	358	0	790,340

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				0	1
February				0	2
March	784			784	3
April				0	4
May				0	5
June	1,648			1,648	6
July				0	7
August				0	8
September	3,447			3,447	9
October				0	10
November				0	11
December	1,810			1,810	12
Total for year	7,689	0	0	7,689	
Less: Measured or estimated water used in main flushing and water treatment during year				66	13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				7,623	16
Less: Water sold				7,623	17
Losses and unaccounted for				0	18
Percent unaccounted for to the nearest whole percent (%)				0%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year					21
Date of maximum:					22
Cause of maximum:					23
Minimum gallons pumped by all methods in any one day during reporting year					24
Date of minimum:					25
Total KWH used for pumping for the year				1	26
If water is purchased: Vendor Name: Sister Bay Utilities					27
Point of Delivery: Sister Bay Utilities					28

SOURCES OF WATER SUPPLY - GROUND WATERS

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

NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

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

NONE

PUMPING & POWER EQUIPMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	#1	#2	#3	1
Location	HILL ROAD	HILL ROAD	HILL ROAD	2
Purpose	B	B	S	3
Destination	D	D	D	4
Pump Manufacturer	WEINMAN	WEINMAN	WEINMAN	5
Year Installed	1980	1980	1980	6
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	7
Actual Capacity (gpm)	100	100	600	8
Pump Motor or Standby Engine Mfr	GOULD	GOULD	WAUMESHA	9 10
Year Installed	1980	1980	1980	11
Type	ELECTRIC	ELECTRIC	DIESEL	12
Horsepower	10	10	55	13

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 23
Year Installed				24
Type				25
Horsepower				26

RESERVOIRS, STANDPIPES & WATER TREATMENT

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

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

NONE

WATER MAINS

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

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
L	D	6.000	4,674				4,674
L	D	8.000	13,236	1,688			14,924
Total Within Municipality			17,910	1,688	0	0	19,598
Total Utility			17,910	1,688	0	0	19,598

1
2

WATER SERVICES

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

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	11				11		1
M	1.000	88	9			97	16	2
M	1.250	2				2		3
M	1.500	9		1		8		4
Total Utility		110	9	1	0	118	16	

METERS

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

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	74				74	2	1
0.750	29	1			30	1	2
1.000	2				2		3
1.250	1				1		4
1.500	5	2	3		4		5
2.000	0	1			1		6
Total:	111	4	3	0	112	3	

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	70	4					74	1
0.750	19	11					30	2
1.000		2					2	3
1.250		1					1	4
1.500		4					4	5
2.000		1					1	6
Total:	89	23	0	0	0	0	112	

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	1
Within Municipality	23	3			26	2
Total Fire Hydrants	23	3	0	0	26	
Flushing Hydrants						
					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:	26
Number of distribution system valves end of year:	66
Number of distribution valves operated during year:	66

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

There are no amounts reported in Account 600, Salaries and Wages because all services are purchased through Sister Bay Utilities. Liberty Grove is billed quarterly by the Village of Sister Bay and salaries are not broker out on the bill.

Water Utility Plant in Service (Page W-08)

The additions to the mains, services and hydrant accounts were all related to the extension project done in the current year. For additional information regarding this project please refer to "Important Changes During the Year" on Page F-21.

Sources of Water Supply - Statistics (Page W-10)

District customers are billed quarterly. In addition, the Village of Sister Bay only bills the District quarterly. Monthly water purchases is not available.

Pumping and Purchased Water Statistics (Page W-10)

Information on maximum, minimum and KWH's is not available. NOTE: A "1" needed to be put in the KWH's line in order to exit this page.

Sources of Water Supply - Ground Waters (Page W-11)

All water purchased from Sister Bay Utility.

Sources of Water Supply - Surface Waters (Page W-12)

All water purchased from Sister Bay Utility.

Reservoirs, Standpipes & Water Treatment (Page W-14)

All water purchased from Sister Bay Utility.

Water Mains (Page W-15)

The mains added during the year were financed with long term debt. Property owners were assessed for the extension based on assessable footage. One assessment was deferred with an interest rate of 7%.

Water Services (Page W-16)

See footnote on Page W-14 for how new services were financed etc.
