



3015 (02-09-04)

ANNUAL REPORT

OF

Name: NORTH CAPE SANITARY DISTRICT

Principal Office: 12126 HWY K
FRANKSVILLE, WI 53126

For the Year Ended: DECEMBER 31, 1999

**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: NORTH CAPE SANITARY DISTRICT

Utility Address: 12126 HWY K
FRANKSVILLE, WI 53126

When was utility organized? 1/23/1958

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MRS JUDITH A ROUSAR
Title: SECRETARY/TREASURER

Office Address:
12126 HWY K
FRANKSVILLE, WI 53126

Telephone: (262) 835 - 2664

Fax Number:

E-mail Address:

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

Name: MR JAMES R FRECHETTE CPA
Title: CPA

Office Address: JAMES R FRECHETTE, CPA
W339S9511 HARVEST COURT
MUKWONAGO, WI 53149

Telephone: (262) 594 - 3995

Fax Number: (262) 594 - 3996

E-mail Address:

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

Name: MR ANTHONY LEE ARNOLD
Title: PRESIDENT

Office Address:
12212 HWY K
FRANKSVILLE, WI 53126

Telephone: (262) 835 - 9240

Fax Number:

E-mail Address:

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

IDENTIFICATION AND OWNERSHIP

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:

Names and titles of utility management including manager or superintendent:

Name: MR ANTHONY LEE ARNOLD

Title: PRESIDENT

Office Address:

12212 HWY K
FRANKSVILLE, WI 53126

Telephone: (262) 835 - 9240

Fax Number:

E-mail Address: tonlock@execpc.com

Name of utility commission/committee:

Names of members of utility commission/committee:

- MR ANTHONY LEE ARNOLD, PRESIDENT
- MR BRUCE GUSSICK, BOARD MEMBER
- MS JUDITH ROUSAR, SECRETARY

Is sewer service rendered by the utility? NO

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

Date of Ordinance:

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

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

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)	19,779	21,099	1
Operating Expenses:			
Operation and Maintenance Expense (401)	13,904	5,471	2
Depreciation Expense (403)	1,617	1,507	3
Amortization Expense (404)	0	0	4
Taxes (408)	33	33	5
Total Operating Expenses	15,554	7,011	
Net Operating Income	4,225	14,088	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	4,225	14,088	
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)	0	0	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	0	0	
Total Income	4,225	14,088	
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	4,225	14,088	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	2,994	2,630	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	443	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	2,994	3,073	
Net Income	1,231	11,015	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	33,368	22,353	19
Balance Transferred from Income (433)	1,231	11,015	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)	34,599	33,368	

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):		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		4
Total (Acct. 419):	0	
Miscellaneous Nonoperating Income (421):		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		6
Total (Acct. 425):	0	
Other Income Deductions (426):		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		10
Detail appropriations to (from) account 215		
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		11
Total (Acct. 439)--Debit:	0	

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

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

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

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	19,779	0	0	0	19,779	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:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	19,779	0	0	0	19,779	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	93,216	88,393	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	11,418	13,033	2
Net Utility Plant	81,798	75,360	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	0	0	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	7,834	14,993	8
Temporary Cash Investments (132)	0	0	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	1,461	1,591	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0	0	14
Materials and Supplies (150)	0	0	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	9,295	16,584	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	91,093	91,944	

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)	500	500	21
Appropriated Earned Surplus (215)		0	22
Unappropriated Earned Surplus (216)	34,599	33,368	23
Total Proprietary Capital	35,099	33,868	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	48,285	50,226	26
Total Long-Term Debt	48,285	50,226	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	110	338	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)	0	0	30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	2,389	2,302	32
Other Current and Accrued Liabilities (238)	0	0	33
Total Current and Accrued Liabilities	2,499	2,640	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0		35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)	0		37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	5,210	5,210	38
Total Liabilities and Other Credits	91,093	91,944	

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)	93,216	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	93,216	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	11,418	0	0	0	9
Total Accumulated Provision	11,418	0	0	0	
Net Utility Plant	81,798	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	13,033				13,033	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	1,617				1,617	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	0				0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	1,617	0	0	0	1,617	13
Debits during year						14
Book cost of plant retired	3,232				3,232	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	3,232	0	0	0	3,232	19
Balance End of Year	11,418	0	0	0	11,418	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

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

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

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

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

MATERIALS AND SUPPLIES

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

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

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

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

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
<hr/>				
Unamortized debt discount & expense (181)				1
Total			<u>0</u>	
Unamortized premium on debt (251)				2
<hr/>				
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)
Balance first of year	500 1
Changes during year (explain):	2
Balance end of year	<u>500</u>

BONDS (ACCT. 221)

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

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

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
State of Wisconsin-Comm. of Pub. Lands 1993	08/12/1993	03/15/2013	6.00%	24,141	1
State of Wisconsin-Comm of Public Lands-1998	05/06/1998	03/15/2018	6.50%	24,144	2
Total for Account 224				48,285	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)
Balance first of year	0 1
Accruals:	
Charged water department expense	2
Charged electric department expense	3
Charged sewer department expense	4
Other (explain):	5
Total Accruals and other credits	<u>0</u>
Taxes paid during year:	
County, state and local taxes	6
Social Security taxes	7
PSC Remainder Assessment	8
Other (explain):	9
Total payments and other debits	<u>0</u>
Balance end of year	<u><u>0</u></u>

INTEREST ACCRUED (ACCT. 237)

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

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
State of Wisconsin-Public Lands-1993 Issue	1,199	1,462	1,514	1,147	3
State of Wisconsin-Public Lands-1998 Issue	1,103	1,532	1,393	1,242	4
Subtotal	2,302	2,994	2,907	2,389	
Notes Payable (231)					
Maas & Sons, Inc.--Finance Charges on Invoices	0			0	5
Subtotal	0	0	0	0	
Total	2,302	2,994	2,907	2,389	

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	5,210	0	0	0	0	5,210	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):						0	4
Deduct charges (specify):						0	5
Balance End of Year	5,210	0	0	0	0	5,210	
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):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	1,461	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	1,461	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
NONE		12
Total (Acct. 145):	0	
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):	
NONE	17
Total (Acct. 253):	0

RETURN ON RATE BASE COMPUTATION

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

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	90,804	0	0	0	90,804	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	12,225	0	0	0	12,225	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	5,210	0	0	0	5,210	6
Other (specify):					0	7
Average Net Rate Base	73,369	0	0	0	73,369	
Net Operating Income	4,225	0	0	0	4,225	8
Net Operating Income as a percent of Average Net Rate Base	5.76%	N/A	N/A	N/A	5.76%	

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	500	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	33,983	3
Other (Specify):		4
Total Average Proprietary Capital	34,483	
Net Income		
Net Income	1,231	5
Percent Return on Proprietary Capital	3.57%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

The District was granted a rate increase effective 1-1-2000. The rate was changed from a complete unmetered system to a metered rate structure. The special charge placed on the tax roll each year of \$300 was assessed on the 1999 tax roll, but will not be for 2000 tax roll.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

The utility was granted a rate increase effective 1-1-2000.

7. Any additional matters.

The district is in the process of metering almost every customer of the district.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Commission/Committee (Page iv)

August 31, 2000

Mrs. Judith A. Rousar, Secretary Treasurer
North Cape Sanitary District
12126 Highway K
Franksville, WI 53126-9692

1999 Analytical Review DWCCA-4180-PJL

Dear Mrs. Rousar:

The Public Service Commission (Commission) is in the process of completing an analytical review of your utility's 1999 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

If the employer's share of Social Security taxes on wages and salaries is paid by the utility, Account 408, Taxes, should be charged with the expense. If Social Security taxes are paid by the municipality, the utility's share should be charged to Account 408, Taxes, with the offsetting credit made to Account 233, Payable to Municipality. If the municipality will not require reimbursement for this expense, then the liability may be written off to Account 216. During our review, we noted no Social Security taxes were reported in Account 408, page W-6. Please furnish an explanation. If the utility is participating in an allowable alternative deferred compensation program, please indicate that in your response, and footnote the Account 408, Taxes schedule to that effect in the future.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If it is convenient for you to respond by e-mail, please do so. My e-mail address is leegep@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

PJL:tlm:w:\compl\Analytical Reviews\1999 analytical review letters\4180.doc

cc: Mr. Anthony Lee Arnold, President

THE FOLLOWING RESPONSE RECEIVED 9/20/00

FINANCIAL SECTION FOOTNOTES

Peter J. Leege
Financial Specialist
Public Service Commission

Dear Peter,

In regards to the 1999 Analytical Review letter dated August 31, 2000 for the North Cape Sanitary District (DWCCA-4180-PJL) the District responds as follows:

The only question was to the lack of fica taxes in a/c 408. There was not any because the District does not pay any fica. All "employees" are considered contracted services and as such are subject to the requirements relating to 1099-misc forms and not social security. Total compensation paid to persons in the District has been minimal in the past. If the situation changes in the future, the District may begin to withhold taxes.

If you have any questions, please respond to James Frechette, CPA at (262)-594-3995 or by e-mail at Copper05@elknet.net. The District will consider the review closed with this response.

Sincerely,

James R Frechette, CPA

Review closed.

PJL

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

ACCOUNTANTS COMPILATION REPORT

I have compiled the various schedules included in the 1999 Municipal Utility Annual Report of the North Cape Sanitary District as of December 31, 1999 and for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information that is the representation of management. I have not audited or reviewed the various schedules included in the 1999 Municipal Utility Annual Report and, accordingly, do not express an opinion or any other form of assurance on them.

The schedules included in the 1999 Municipal Utility Annual Report are presented in accordance with the requirements of the Public Service Commission of the State of Wisconsin, which differ from generally accepted accounting principles. Accordingly, the schedules included in the 1999 Municipal Utility Annual Report are not designed for those who are not informed about such differences.

March 10, 2000
CPA

JAMES R FRECHETTE,

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	6,543	1
Total Sales of Water	6,543	
Other Operating Revenues		
Forfeited Discounts (470)	30	2
Other Water Revenues (474)	13,206	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	13,236	
Total Operating Revenues	19,779	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	9,586	5
General Operating Expenses (680-690)	4,318	6
Total Operation and Maintenance Expenses	13,904	
Other Operating Expenses		
Depreciation Expense (403)	1,617	7
Amortization Expense (404)	0	8
Taxes (408)	33	9
Total Other Operating Expenses	1,650	
Total Operating Expenses	15,554	
NET OPERATING INCOME	4,225	

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	38	2,280	4,076	1
Commercial	6	700	909	2
Industrial	2	1,150	332	3
Total Unmetered Sales to General Customers (460)	46	4,130	5,317	
Metered Sales to General Customers (461)				
Residential				4
Commercial				5
Industrial				6
Total Metered Sales to General Customers (461)	0	0	0	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		894	8
Other Sales to Public Authorities (464)	1	300	332	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	48	4,430	6,543	

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)	894	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)	894	
Forfeited Discounts (470):		
Customer late payment charges	30	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	30	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		7
Other (specify):		
SPECIAL CHARGES PLACED ON TAX ROLL	13,206	8
Total Other Water Revenues (474)	13,206	
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)	878	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	487	3
Chemicals (630)		4
Supplies and Expenses (640)	3,581	5
Repairs of Water Plant (650)	4,640	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	9,586	
 GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	1,700	8
Office Supplies and Expenses (681)	570	9
Outside Services Employed (682)	1,035	10
Insurance Expense (684)	110	11
Employees Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)	668	13
Miscellaneous General Expenses (689)	235	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	4,318	
 Total Operation and Maintenance Expenses	13,904	

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		0 3
PSC Remainder Assessment		33 4
Other (specify): NONE		5
Total tax expense		<u>33</u>

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)	2		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)	4,347		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	4,349	0	
PUMPING PLANT			
Land and Land Rights (320)	2,160		12
Structures and Improvements (321)	16,018		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	2,813		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	20,991	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		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)			2 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)			4,347 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	4,349
PUMPING PLANT			
Land and Land Rights (320)			2,160 12
Structures and Improvements (321)			16,018 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			2,813 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	20,991
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)	23,162		26
Transmission and Distribution Mains (343)	30,800	4,095	27
Fire Mains (344)	0		28
Services (345)	7,903	1,173	29
Meters (346)	0	2,787	30
Hydrants (348)	938		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	62,803	8,055	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	250		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	250	0	
Total utility plant in service directly assignable	88,393	8,055	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	88,393	8,055	

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)			23,162 26
Transmission and Distribution Mains (343)	2,560		32,335 27
Fire Mains (344)			0 28
Services (345)	672		8,404 29
Meters (346)		0	2,787 30
Hydrants (348)		0	938 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	3,232	0	67,626
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			250 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	250
Total utility plant in service directly assignable	3,232	0	93,216
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	3,232	0	93,216

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			450	450	1
February			378	378	2
March			431	431	3
April			440	440	4
May			468	468	5
June			401	401	6
July			767	767	7
August			622	622	8
September			561	561	9
October			361	361	10
November			387	387	11
December			313	313	12
Total for year	0	0	5,579	5,579	
Less: Measured or estimated water used in main flushing and water treatment during year				10	13
Less: Other utility use				0	14
Other utility use explanation:					15
Water pumped into distribution system				5,569	16
Less: Water sold				4,430	17
Losses and unaccounted for				1,139	18
Percent unaccounted for to the nearest whole percent (%)				20%	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				28	21
Date of maximum: 7/19/1999					22
Cause of maximum:					23
lawn watering					
Minimum gallons pumped by all methods in any one day during reporting year				9	24
Date of minimum: 12/6/1999					25
Total KWH used for pumping for the year				3,324	26
If water is purchased: Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
NORTH CAPE	1	323	10	20,000	Yes	1

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)	1
Identification	DEEP WELL			1
Location	HWY K FRANKVILL WI 53126			2
Purpose	B			3
Destination	D			4
Pump Manufacturer	STAR-RITE			5
Year Installed	1974			6
Type	VERTICAL TURBINE			7
Actual Capacity (gpm)	90			8
Pump Motor or Standby Engine Mfr	STAR-RITE			9 10
Year Installed	1985			11
Type	ELECTRIC			12
Horsepower	7			13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	14
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)
Identification number or name	#1 THROUGH #14		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		3
Year constructed	1993		4
Primary material (earthen, steel, concrete, other)	STEEL		5
Elevation difference in feet (See Headnote 3.)	10		6
Total capacity in gallons	4,900		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		10
Filters, type (gravity, pressure, other, none)	PRESSURE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.0200		12
Is a corrosion control chemical used (yes, no)?	N		13
Is water fluoridated (yes, no)?	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	1.000	190	0	0	0	190	1
M	D	2.000	0	0	0	0	0	2
P	D	2.000	3,293	320	320	0	3,293	3
M	D	6.000	220	0	0	0	220	4
Total Within Municipality			3,703	320	320	0	3,703	
Total Utility			3,703	320	320	0	3,703	

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)	
P	1.000	47	4	4	0	47		1
Total Utility		47	4	4	0	47	0	

METERS

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

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.750	0	58			58	0	1
1.000	0	6			6	0	2
1.500	0	1			1	0	3
Total:	0	65	0	0	65	0	

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						58	58	1
1.000						6	6	2
1.500						1	1	3
Total:	0	0	0	0	0	65	65	

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	1				1	2
Total Fire Hydrants	1	0	0	0	1	
Flushing Hydrants						
	4				4	3
Total Flushing Hydrants	4	0	0	0	4	

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:

Number of distribution system valves end of year:

Number of distribution valves operated during year:

WATER OPERATING SECTION FOOTNOTES

Water Operating Revenues - Sales of Water (Page W-02)

All customers were unmetered and no basis for consumption has been used in the past. Usage for non residential customers was based upon rate case submitted during 1999. Residential usage was based upon 15,000 gallons per quarter.

Water Operation & Maintenance Expenses (Page W-05)

a/c 640 and 650

The District spent a large amount in 1999 to test water samples. This accounts for the large increase in a/c 640. In addition, repairs were also higher as the district had a number of water main leaks that were repaired in 1999.

Water Mains (Page W-15)

The mains added were replacements. They were financed with funds on hand.

Water Services (Page W-16)

The 4 services added were replacements along with water main that was financed from district funds on hand.

Meters (Page W-17)

All meters will be installed during the first quarter of 2000.
