



3015 (02-09-04)

ANNUAL REPORT

OF

Name: HIGHLAND MUNICIPAL WATER UTILITY

Principal Office: P.O. BOX 284
HIGHLAND, WI 53543

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: HIGHLAND MUNICIPAL WATER UTILITY

Utility Address: P.O. BOX 284
HIGHLAND, WI 53543

When was utility organized? 1/1/1960

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: THERESA C. MICHEK

Title: CLERK/TREASURER

Office Address:

P.O. BOX 284
HIGHLAND, WI 53543

Telephone: (608) 929 - 7781

Fax Number: (608) 929 - 7781

E-mail Address:

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

Name: MR CHAD C FREYMILLER

Title: STAFF ACCOUNTANT

Office Address: JOHNSON BLOCK AND COMPANY INC

229 HIGH STREET
MINERAL POINT, WI 53565

Telephone: (608) 987 - 2206

Fax Number: (608) 987 - 3391

E-mail Address: chadf@johnsonblock.com

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

Name: THOMAS E PINCH

Title: VILLAGE PRESIDENT

Office Address:

PO BOX 284
HIGHLAND, WI 53543

Telephone: (608) 929 - 7781

Fax Number: (608) 929 - 7781

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: MR ALAN BREY

Title: SHAREHOLDER

Office Address: JOHNSON BLOCK AND COMPANY INC
229 HIGH STREET
MINERAL POINT, WI 53565

Telephone: (608) 987 - 2206

Fax Number: (608) 987 - 3391

E-mail Address: abrey@johnsonblock.com

Date of most recent audit report: 3/23/2001

Period covered by most recent audit: 2000

Names and titles of utility management including manager or superintendent:

Name: THOMAS E PINCH

Title: VILLAGE PRESIDENT

Office Address:
P.O. BOX 284
HIGHLAND, WI 53543

Telephone: (608) 929 - 7781

Fax Number: (608) 929 - 7781

E-mail Address:

Name of utility commission/committee: VILLAGE OF HIGHLAND BOARD MEMBERS

- Names of members of utility commission/committee:**
- LENICE GILBERTSON, BOARD MEMBER
 - ANTHONY KASTER, BOARD MEMBER
 - SCOTT MENSCH, BOARD MEMBER
 - DENNIS RICHGELS, BOARD MEMBER
 - CHARLES SCULLION, BOARD MEMBER
 - GEORGE WALLENKAMP, BOARD MEMBER

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:

NONE

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	101,579	99,583	1
Operating Expenses:			
Operation and Maintenance Expense (401)	24,830	65,491	2
Depreciation Expense (403)	19,877	17,272	3
Amortization Expense (404)	0	0	4
Taxes (408)	15,310	15,275	5
Total Operating Expenses	60,017	98,038	
Net Operating Income	41,562	1,545	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	41,562	1,545	
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)	4,474	4,180	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	4,474	4,180	
Total Income	46,036	5,725	
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	46,036	5,725	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	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	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	0	0	
Net Income	46,036	5,725	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	311,865	306,140	19
Balance Transferred from Income (433)	46,036	5,725	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)	357,901	311,865	

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):		
NONE		4
INTEREST ON BANK ACCOUNTS	4,474	5
Total (Acct. 419):	4,474	
Miscellaneous Nonoperating Income (421):		
NONE		6
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		7
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		8
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		9
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		10
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		11
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		12
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	101,579	0	0	0	101,579	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	101,579	0	0	0	101,579	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,087,279	934,893	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	188,612	183,167	2
Net Utility Plant	898,667	751,726	
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)	2,429	1,029	6
Special Funds (125)	99,678	79,320	7
Total Other Property and Investments	102,107	80,349	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	4,769	9,438	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	14,732	16,084	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	3,713	2,131	14
Materials and Supplies (150)	4,375	4,319	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	27,589	31,972	
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	1,028,363	864,047	

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)	254,347	182,831	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	357,901	311,865	23
Total Proprietary Capital	612,248	494,696	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	0	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)			28
Payables to Municipality (233)	343	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	15,422	15,422	31
Interest Accrued (237)	0	0	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	15,765	15,422	
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)	400,350	353,929	38
Total Liabilities and Other Credits	1,028,363	864,047	

NET UTILITY PLANT

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

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	1,087,279	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	1,087,279	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	188,612	0	0	0	9
Total Accumulated Provision	188,612	0	0	0	
Net Utility Plant	898,667	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	183,167				183,167	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	19,877				19,877	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	569				569	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	20,446	0	0	0	20,446	13
Debits during year						14
Book cost of plant retired	15,001				15,001	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	15,001	0	0	0	15,001	19
Balance End of Year	188,612	0	0	0	188,612	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	1.93%					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):					
NONE	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
Other					0	0
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0
Water utility	4,375	4,319
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	<u>4,375</u>	<u>4,319</u>

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

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

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

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	182,831	1
Changes during year (explain):		
ADJUSTMENT FOR ADDITIONS TO PLANT PAID BY VILLAGE IN PRIOR YEARS	71,516	2
Balance end of year	<u>254,347</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)	
Advances (223)					
NONE	00/00/0000	00/00/0000	0.00%		1
Total for Account 223				0	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	15,422	1
Accruals:		
Charged water department expense	15,310	2
Charged electric department expense		3
Charged sewer department expense	237	4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>15,547</u>	
Taxes paid during year:		
County, state and local taxes	15,422	6
Social Security taxes		7
PSC Remainder Assessment	125	8
Other (explain):		
NONE		9
Total payments and other debits	<u>15,547</u>	
Balance end of year	<u><u>15,422</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)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	0	0	0	0	

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	353,929	0	0	0	0	353,929	1
Add credits during year:							
For Services	3,814					3,814	2
For Mains	42,607					42,607	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	400,350	0	0	0	0	400,350	
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 RECEIVABLE	2,429	2
Total (Acct. 124):	2,429	
Special Funds (125):		
BOND AND INTEREST REDEMPTION FUND	33,481	3
1988 CONSTRUCTION FUND	66,197	4
Total (Acct. 125):	99,678	
Notes Receivable (141):		
NONE		5
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	14,732	6
Electric		7
Sewer (Regulated)		8
Other (specify):		
NONE		9
Total (Acct. 142):	14,732	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		10
Merchandising, jobbing and contract work		11
Other (specify):		
NONE		12
Total (Acct. 143):	0	
Receivables from Municipality (145):		
DUE FROM SEWER-2001 METER ALLOCATION	1,610	13
DUE FROM MUNICIPALITY-2001 TAX ROLL ITEMS	2,103	14
Total (Acct. 145):	3,713	
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):		
DUE TO VILLAGE-SPECIAL ASSESSMENTS	343	18
Total (Acct. 233):	343	
<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	1,011,086	0	0	0	1,011,086	1
Materials and Supplies	4,347	0	0	0	4,347	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	185,889	0	0	0	185,889	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	377,139	0	0	0	377,139	6
Other (specify):					0	7
Average Net Rate Base	452,405	0	0	0	452,405	
Net Operating Income	41,562	0	0	0	41,562	8
Net Operating Income as a percent of Average Net Rate Base	9.19%	N/A	N/A	N/A	9.19%	

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	218,589	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	334,883	3
Other (Specify):		4
Total Average Proprietary Capital	553,472	
Net Income		
Net Income	46,036	5
Percent Return on Proprietary Capital	8.32%	

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

Contributions in Aid of Construction (Account 271) (Page F-17)

Contributions reported for services and mains represent amounts that were not recorded in prior years.

Signature Page (Page ii)

COMPILATION REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

March 28, 2002

Village Board
Village of Highland
Highland, Wisconsin 53543

We have compiled the accompanying prescribed Municipal Utility Annual Report of the Village of Highland Water Utilities as of December 31, 2001, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying Municipal Utility annual Report and, accordingly, do not express an opinion or any other form of assurance on this report.

The aforementioned report was prepared for the purpose of complying with statutory requirements, rules, regulations and guidelines of the Wisconsin Public Service Commission and is not intended to be a complete presentation in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the management of the Village of Highland and the Wisconsin Public Service Commission, and should not be used for any other purpose.

JOHNSON BLOCK AND COMPANY, INC

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

-----Original Message-----

From: Chad Freymiller [mailto:chadf@chorus.net]
Sent: Monday, September 09, 2002 9:26 AM
To: Peter Leege (E-mail)
Subject: Highland Municipal Water Utility

The following information is in response to the issues discovered during your 2001 analytical review.

1. We were unaware of the prior correspondence concerning the recording of social security taxes. This was the first year that our firm prepared the PSC report for the Village of Highland. The Village allocates wages to the Water & Sewer Utilities at the end of the year. Only wages have been allocated to the utilities in the past. We will allocate a portion of payroll taxes to the utilities in the future and report social security taxes in A/C 408.

2. The Village is in the process of replacing old meters. The Village has indicated that the 3" meter will be tested during 2002.

September 5, 2002

Ms. Theresa C. Michek, Clerk/Treasurer
Highland Municipal Water Utility
P.O. Box 284
Highland, WI 53543-0284

2001 Analytical Review DWCCA-2530-PJL

Dear Ms. Michek:

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. In our review letters regarding both the 1999 and 2000 annual reports, we questioned why there was no social security taxes reported in Account 408 on page W-6. Item number 1 of the letter dated June 13, 2001, signed by Mary A. Jones; C.P.A. explained that in the future the social security tax would be recorded in Account 408. With regard to the footnote provided for page W 5, the fact that something was recorded incorrectly in the past does not mean that it is acceptable practice this year. Please explain why, once again, the social security tax was NOT recorded in Account 408.

2. Wis. Admin. Code § PSC 185.76 requires periodic testing of customer meters to ensure their accuracy. Meters 1 inch or smaller shall be tested at least every 10 years, meters 1 ½ to 2 inches every 4 years, meters 3-4 inches every 2 years, and meters over 4 inches every year. Your 3 inch water meters have not been tested at the appropriate frequency for several

FINANCIAL SECTION FOOTNOTES

years. However, starting in 2002, as detailed in Wis. Admin. Code § PSC 185.76(6), an alternative to this testing plan has been authorized in which a utility replaces its 5/8", 3/4" and 1" meters every 20 years. If you do not intend on replacing your old meters with new meters on a 20 year basis than explain to us how you intend to manage your meters. Please also confirm that the utility will test or replace the 3 inch meter during 2002.

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

PJL:dwh:w:\compl\Analytical Reviews\2001 analytical review letters\2530.doc

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Commission/Committee (Page iv)

-----Original Message-----

From: Butzlaff, Kathy PSC
Sent: Thursday, June 06, 2002 8:32 AM
To: Leege, Peter PSC
Subject: RE: # 2530, Highland.

The adjustments for mains and hydrants appear correct. The numbers are only one digit different but \$13,128 is the correct hydrant adjustment in the plant schedule while the \$1,328 noted in the letter has been correctly rolled into the \$71,516 Capital Paid In adjustment.

The services footnote doesn't sound quite right but I don't think I'd question it. It just says the additions are financed by revenues but it looks like there's also a \$3,814 contribution for the services installed in 2001 or a prior year.

-----Original Message-----

From: Leege, Peter PSC
Sent: Wednesday, June 05, 2002 8:10 AM
To: Butzlaff, Kathy PSC
Subject: # 2530, Highland.

Kathy, I put the correspondence file on your desk, could you check the instructions you gave them regarding adjustments against the 2001 annual report and let me know if and what I need to write to them in their review letter. One problem I see is the adjustment to a/c 348, they have 13,128 in the report, 1,328 in the letter. Also, please look at their explanation for services added during the year and note that they recorded contributions for services.

(I'm also writing again 3rd year in a row about how they don't properly record social security taxes, they had said they would do it correctly this year but didn't)

Thanks.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	99,613	1
Total Sales of Water	99,613	
Other Operating Revenues		
Forfeited Discounts (470)	860	2
Other Water Revenues (474)	1,106	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	1,966	
Total Operating Revenues	101,579	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	19,221	5
General Operating Expenses (680-690)	5,609	6
Total Operation and Maintenance Expenses	24,830	
Other Operating Expenses		
Depreciation Expense (403)	19,877	7
Amortization Expense (404)		8
Taxes (408)	15,310	9
Total Other Operating Expenses	35,187	
Total Operating Expenses	60,017	
NET OPERATING INCOME	41,562	

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	1	5	1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	1	1	5	
Metered Sales to General Customers (461)				
Residential	341	14,356	45,602	4
Commercial	51	2,406	7,763	5
Industrial				6
Total Metered Sales to General Customers (461)	392	16,762	53,365	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		42,637	8
Other Sales to Public Authorities (464)	13	1,196	3,606	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	407	17,959	99,613	

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)	42,637	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)	42,637	
Forfeited Discounts (470):		
Customer late payment charges	860	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	860	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	804	7
Other (specify):		
NONE		8
MISCELLANEOUS	302	9
Total Other Water Revenues (474)	1,106	
Amortization of Construction Grants (475):		
NONE		10
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)	11,500	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	3,814	3
Chemicals (630)	250	4
Supplies and Expenses (640)	1,183	5
Repairs of Water Plant (650)	1,474	6
Transportation Expenses (660)	1,000	7
Total Plant Operation and Maintenance Expenses	19,221	
 GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	1,500	8
Office Supplies and Expenses (681)	1,418	9
Outside Services Employed (682)	500	10
Insurance Expense (684)	2,000	11
Employees Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	191	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	5,609	
 Total Operation and Maintenance Expenses	24,830	

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		15,422	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		237	2
Net property tax equivalent		15,185	
Social Security			3
PSC Remainder Assessment		125	4
Other (specify): NONE			5
Total tax expense		15,310	

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			Iowa				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.258660				3
County tax rate	mills		7.139930				4
Local tax rate	mills		3.337730				5
School tax rate	mills		14.970380				6
Voc. school tax rate	mills		2.306100				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		28.012800				10
Less: state credit	mills		2.403030				11
Net tax rate	mills		25.609770				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		3.337730				14
Combined School Tax Rate	mills		17.276480				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		20.614210				17
Total Tax Rate	mills		28.012800				18
Ratio of Local and School Tax to Total	dec.		0.735885				19
Total tax net of state credit	mills		25.609770				20
Net Local and School Tax Rate	mills		18.845855				21
Utility Plant, Jan. 1	\$	1,053,334	1,053,334				22
Materials & Supplies	\$	4,319	4,319				23
Subtotal	\$	1,057,653	1,057,653				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	1,057,653	1,057,653				26
Assessment Ratio	dec.		0.773200				27
Assessed Value	\$	817,777	817,777				28
Net Local & School Rate	mills		18.845855				29
Tax Equiv. Computed for Current Year	\$	15,412	15,412				30
Tax Equivalent per 1994 PSC Report	\$	21,429					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$	15,422					32
Tax equiv. for current year (see note 6)	\$	15,422					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)	200		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	200	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	11,312		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	29,354		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	40,666	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	4,571		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	37,133		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	41,704	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	1,713		23
Total Water Treatment Plant	1,713	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	8,750		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)			200 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	200
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			11,312 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			29,354 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	40,666
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			4,571 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			37,133 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	41,704
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			1,713 23
Total Water Treatment Plant	0	0	1,713
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			8,750 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)	310,125		26
Transmission and Distribution Mains (343)	394,222	34,292	27
Fire Mains (344)	0		28
Services (345)	54,398	15,127	29
Meters (346)	32,496		30
Hydrants (348)	42,631	2,725	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	842,622	52,144	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	4,622		35
Computer Equipment (372.1)	1,549	1,120	36
Transportation Equipment (373)	0		37
Other General Equipment (379)	1,817		38
Other Tangible Property (390)	0		39
Total General Plant	7,988	1,120	
Total utility plant in service directly assignable	934,893	53,264	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	934,893	53,264	

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)			310,125 26
Transmission and Distribution Mains (343)	13,763	100,995	515,746 27
Fire Mains (344)			0 28
Services (345)	277		69,248 29
Meters (346)			32,496 30
Hydrants (348)	961	13,128	57,523 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	15,001	114,123	993,888
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			4,622 35
Computer Equipment (372.1)			2,669 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			1,817 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	9,108
Total utility plant in service directly assignable	15,001	114,123	1,087,279
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	15,001	114,123	1,087,279

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.

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			2,040	2,040	1
February			1,714	1,714	2
March			1,818	1,818	3
April			1,715	1,715	4
May			1,914	1,914	5
June			1,731	1,731	6
July			2,143	2,143	7
August			1,872	1,872	8
September			1,829	1,829	9
October			1,802	1,802	10
November			1,731	1,731	11
December			1,796	1,796	12
Total annual pumpage	0	0	22,105	22,105	
Less: Water sold				17,959	13
Volume pumped but not sold				4,146	14
Volume sold as a percent of volume pumped				81%	15
Volume used for water production, water quality and system maintenance				337	16
Volume related to equipment/system malfunction				45	17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				382	19
Volume pumped but unaccounted for				3,764	20
Percent of water lost				17%	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.)				85	23
Date of maximum: 6/19/2001					24
Cause of maximum:					25
The pump would not shut off because of an electrical problem.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				39	26
Date of minimum: 6/16/2001					27
Total KWH used for pumping for the year				77,156	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)	
WELL-HIGHLAND	1	455	8	50,000	Yes	1
WELL-HIGHLAND	2	930	15	100,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

PUMPING & POWER EQUIPMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	1	2	1
Location	HIGHLAND	HIGHLAND	2
Purpose	P	P	3
Destination	D	D	4
Pump Manufacturer	UNKNOWN	WELLINGTON	5
Year Installed	1983	1968	6
Type	SUBMERSIBLE	VERTICAL TURBINE	7
Actual Capacity (gpm)	100	350	8
Pump Motor or Standby Engine Mfr	UNKNOWN	GENERAL ELECTRIC	9
Year Installed	1983	1968	10
Type	ELECTRIC	ELECTRIC	11
Horsepower	20	60	12

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

RESERVOIRS, STANDPIPES & WATER TREATMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	1		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		3
Year constructed	1938		4
Primary material (earthen, steel, concrete, other)	OTHER		5
Elevation difference in feet (See Headnote 3.)	250		6
Total capacity in gallons (actual)	65,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER		9
Points of application (wellhouse, central facilities, booster station, other)	OTHER		10
Filters, type (gravity, pressure, other, none)	OTHER		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	650.0000		12
Is a corrosion control chemical used (yes, no)?	N		13
Is water fluoridated (yes, no)?	Y		14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	4.000	7,134	0	880	300	6,554	1
M	D	6.000	10,838	0	0	0	10,838	2
P	D	6.000	1,807	0	0	418	2,225	3
M	D	8.000	850	0	0	0	850	4
P	D	8.000	3,233	880	0	2,030	6,143	5
P	D	10.000	2,650	0	0	2,400	5,050	6
Total Within Municipality			26,512	880	880	5,148	31,660	
Total Utility			26,512	880	880	5,148	31,660	

WATER SERVICES

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

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.625	3	0	0	(3)	0		1
M	0.750	343	5	2	36	382		2
M	1.000	8	0	0	(3)	5		3
M	1.500				2	2		4
M	2.000	1	0	0	5	6		5
M	3.000				1	1		6
Total Utility		355	5	2	38	396	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).
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	377	0	0	23	400	30	1
1.000	4	0	0	1	5	1	2
1.500	2	0	0	0	2	0	3
2.000	4	0	0	2	6	1	4
3.000	2	0	0	(1)	1	0	5
6.000	1	0	0	(1)	0	0	6
Total:	390	0	0	24	414	32	

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	341	38	0	6	0	15	400	1
1.000	0	3	0	2	0	0	5	2
1.500	0	2	0	0	0	0	2	3
2.000	0	3	0	3	0	0	6	4
3.000	0	1	0	0	0	0	1	5
6.000	0	0	0	0	0	0	0	6
Total:	341	47	0	11	0	15	414	

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	47	1	1	11	58	2
Total Fire Hydrants	47	1	1	11	58	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

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: 58
 Number of distribution system valves end of year: 62
 Number of distribution valves operated during year: 62

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Consistent with prior years, the water utility reimbursed the general fund for the maintenance workers' salaries and for clerical salary. These amounts include the charges for social security and medicare taxes; therefore, no payroll taxes are included in account 408. Maintenance salaries decreased by \$2500 to more accurately reflect the utility's share of these expenses for 2001.

Decrease in account 650 is due to a major repair of the pump at well #2 in 2000 which caused the repairs account to be considerably higher.

Decrease in A/C 640 relates to \$2,700 of repair expenses charged to supplies and expenses in the prior year.

Property Tax Equivalent (Water) (Page W-07)

On November 4, 1996, a resolution was passed by the village board authorizing the village to pay the lesser of the tax equivalent as allowed by Wis. Statute 66.069 (1)(C) or the prior year's allowed amount.

Water Utility Plant in Service (Page W-08)

Adjustment to account 343 was to record additions to plant paid for by customers and the village for 1997-2000 per PSC letter and summary.

Adjustment to account 348 was to record additions to plant paid for by customers and village for 1997-2000 per PSC letter and summary.

Water Mains (Page W-15)

Adjustment to record additions to plant paid for by customers and the village for 1997-2000 per psc letter and summary.

Additions were financed by operating revenue.

Water Services (Page W-16)

Adjustments are to correct prior years.

Additions were financed by operating revenue.

Meters (Page W-17)

Adjustments are to correct prior years.

Hydrants and Distribution System Valves (Page W-18)

Adjustments are to correct prior years.
