



3015 (02-09-04)

ANNUAL REPORT

OF

Name: CITY OF LOYAL MUNICIPAL WATER UTILITY

Principal Office: 301 NORTH MAIN STREET
P.O. BOX 9
LOYAL, WI 54446

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: CITY OF LOYAL MUNICIPAL WATER UTILITY

Utility Address: 301 NORTH MAIN STREET

P.O. BOX 9

LOYAL, WI 54446

When was utility organized? 1/1/1916

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MS LISA RUETH

Title: CITY CLERK TREASURER

Office Address:

301 N MAIN STREET

P.O. BOX 9

LOYAL, WI 54446

Telephone: (715) 255 - 8772

Fax Number: (715) 255 - 8733

E-mail Address:

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

Name: BRANDI SUDA

Title:

Office Address: VIRCHOW, KRAUSE & COMPANY, LLP

2411 HILLCREST DRIVE, SUITE 6

P.O. BOX 1148

EAU CLAIRE, WI 54703

Telephone: (715) 833 - 1717

Fax Number: (715) 836 - 7877

E-mail Address:

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

Name: MR JOHN SCHULTZ

Title: CHAIRMAN

Office Address:

301 N MAIN STREET

P.O. BOX 9

LOYAL, WI 54446

Telephone: (715) 255 - 8772

Fax Number: (715) 255 - 8733

E-mail Address:

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

IDENTIFICATION AND OWNERSHIP

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

Name:

Title:

Office Address: VIRCHOW, KRAUSE & COMPANY, LLP
2411 HILLCREST DRIVE, SUITE 6
P.O. BOX 1148
EAU CLAIRE, WI 54703

Telephone: (715) 833 - 1717

Fax Number: (715) 836 - 7877

E-mail Address:

Date of most recent audit report: 3/20/2002

Period covered by most recent audit: 1/1/01 - 12/31/01

Names and titles of utility management including manager or superintendent:

Name: MR TOM DUELL

Title: PUBLIC WORKS DIRECTOR

Office Address:

301 N MAIN STREET
P.O. BOX 9
LOYAL, WI 54446

Telephone: (715) 255 - 8772

Fax Number: (715) 255 - 8733

E-mail Address:

Name of utility commission/committee: UTILITY COMMITTEE

Names of members of utility commission/committee:

- MR TIM FROEBA, COMMITTEE MEMBER
 - MR MILTON KNACK, COMMITTEE MEMBER
 - MR JOHN SCHULTZ, COMMITTEE MEMBER
-

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. § 66.0819 of the Wisconsin Statutes?NO

Date of Ordinance:

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	121,194	116,904	1
Operating Expenses:			
Operation and Maintenance Expense (401)	62,812	56,661	2
Depreciation Expense (403)	18,960	18,287	3
Amortization Expense (404)	0	0	4
Taxes (408)	22,677	22,102	5
Total Operating Expenses	104,449	97,050	
Net Operating Income	16,745	19,854	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	16,745	19,854	
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)	4,349	3,681	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	4,349	3,681	
Total Income	21,094	23,535	
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	21,094	23,535	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	13,125	9,600	13
Amortization of Debt Discount and Expense (428)	109	109	14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	933	1,383	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	14,167	11,092	
Net Income	6,927	12,443	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	259,054	248,076	19
Balance Transferred from Income (433)	6,927	12,443	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	2,091	1,465	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	263,890	259,054	

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):		
INVESTMENT INCOME	4,349	4
Total (Acct. 419):	4,349	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215	2,091	10
Total (Acct. 436)--Debit:	2,091	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

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

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

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

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

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	121,194	0	0	0	121,194	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	121,194	0	0	0	121,194	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	947,113	909,858	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	327,273	309,167	2
Net Utility Plant	619,840	600,691	
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)	25,116	23,025	7
Total Other Property and Investments	25,116	23,025	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	18,920	74,537	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	19,794	17,446	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	10	568	14
Materials and Supplies (150)	6,179	6,591	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	44,903	99,142	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	1,298	1,407	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	42,670	0	20
Total Deferred Debits	43,968	1,407	
Total Assets and Other Debits	733,827	724,265	

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)	42,958	42,958	21
Appropriated Earned Surplus (215)	25,116	23,025	22
Unappropriated Earned Surplus (216)	263,890	259,054	23
Total Proprietary Capital	331,964	325,037	
LONG-TERM DEBT			
Bonds (221)	183,000	183,000	24
Advances from Municipality (223)	16,100	24,500	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	199,100	207,500	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	699	2,923	28
Payables to Municipality (233)	3,888	94	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	9,265	1,088	32
Other Current and Accrued Liabilities (238)	1,287	209	33
Total Current and Accrued Liabilities	15,139	4,314	
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)	187,624	187,414	38
Total Liabilities and Other Credits	733,827	724,265	

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)	940,862	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)	6,251				6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	947,113	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	327,273	0	0	0	9
Total Accumulated Provision	327,273	0	0	0	
Net Utility Plant	619,840	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	309,167				309,167	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	18,960				18,960	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,175				1,175	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	20,135	0	0	0	20,135	13
Debits during year						14
Book cost of plant retired	2,029				2,029	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	2,029	0	0	0	2,029	19
Balance End of Year	327,273	0	0	0	327,273	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):					
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					0	0

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0
Water utility	6,179	6,591
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	6,179	6,591

**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)				
74 Mortgage revenue bonds	109	428	1,298	1
Total			<u><u>1,298</u></u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u><u>0</u></u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	42,958	1
Changes during year (explain):		2
Balance end of year	42,958	

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)	
'74 MORTGAGE REVENUE BONDS	03/20/1974	01/01/2013	5.00%	183,000	1
Total Bonds (Account 221):				183,000	

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)					
7/28/93 GO Promissory Note	07/28/1993	03/01/2003	5.33%	16,100	1
Total for Account 223				16,100	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	22,677	2
Charged electric department expense		3
Charged sewer department expense	362	4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>23,039</u>	
Taxes paid during year:		
County, state and local taxes	20,785	6
Social Security taxes	2,046	7
PSC Remainder Assessment	208	8
Other (explain):		
NONE		9
Total payments and other debits	<u>23,039</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)					
74 Mortgage revenue bonds	0	13,125	4,575	8,550	1
Subtotal	0	13,125	4,575	8,550	
Advances from Municipality (223)					
'93 GO PROMISSORY NOTE	1,088	933	1,306	715	2
Subtotal	1,088	933	1,306	715	
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	1,088	14,058	5,881	9,265	

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	187,414	0	0	0	0	187,414	1
Add credits during year:							
For Services	210					210	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	187,624	0	0	0	0	187,624	
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):		
DEPRECIATION FUND	3,891	3
DEBT RESERVE FUND	21,225	4
Total (Acct. 125):	25,116	
Notes Receivable (141):		
NONE		5
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	19,794	6
Electric		7
Sewer (Regulated)		8
Other (specify):		
NONE		9
Total (Acct. 142):	19,794	
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 OTHER FUNDS	10	13
Total (Acct. 145):	10	
Prepayments (165):		
NONE		14
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		15
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)	
Other Deferred Debits (183):		
WELL TESTING	42,670	16
Total (Acct. 183):	42,670	
Payables to Municipality (233):		
DUE TO OTHER FUNDS	3,888	17
Total (Acct. 233):	3,888	
Other Deferred Credits (253):		
NONE		18
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	916,273	0	0	0	916,273	1
Materials and Supplies	6,385	0	0	0	6,385	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	318,220	0	0	0	318,220	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	187,519	0	0	0	187,519	6
Other (specify):					0	7
Average Net Rate Base	416,919	0	0	0	416,919	
Net Operating Income	16,745	0	0	0	16,745	8
Net Operating Income as a percent of Average Net Rate Base	4.02%	N/A	N/A	N/A	4.02%	

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	42,958	1
Appropriated Earned Surplus	24,070	2
Unappropriated Earned Surplus	261,472	3
Other (Specify):		4
Total Average Proprietary Capital	328,500	
Net Income		
Net Income	6,927	5
Percent Return on Proprietary Capital	2.11%	

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 water utility received a water rate increase effective 12/31/2001.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

ACCOUNTANTS' COMPILATION REPORT

To the Utility Commission
City of Loyal
Loyal, Wisconsin

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

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

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

VIRCHOW, KRAUSE & COMPANY, LLP

Eau Claire, Wisconsin
March 19, 2002

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

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

From: Lisa Rueth [mailto:loycitchk@tznet.com]
Sent: Tuesday, August 20, 2002 11:33 AM
To: peter.leege@psc.state.wi.us
Subject: 2001 Analytical Review

I am not really sure what type of information you need. I can tell you that the well testing account was set up for costs incurred while looking for a new well site and the drilling of the test wells. Our auditor had me do some adjustments to those accounts and it might be better to contact them.

Virchow Krause & Co.
Margaret Melrose
2411 Hillcrest Parkway, Suite 6
P.O. Box 1148
Eau Claire, WI 54702-1148
715-833-1717 ext 14
mmelrose@virchowkrause.com

August 9, 2002

Ms. Lisa Rueth, City Clerk-Treasurer
Loyal Municipal Water Utility
301 North Main Street
P.O. Box 9
Loyal, WI 54446-0009

2001 Analytical Review DWCCA-3210-PJL

Dear Ms. Rueth:

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 issue(s):

Please provide more information regarding the \$42,670 described as well testing in Account 183, Other Deferred Debits in the Balance Sheet End-of-Year Account Balances schedule on page F 18.

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

FINANCIAL SECTION FOOTNOTES

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\3210.doc

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	119,917	1
Total Sales of Water	119,917	
Other Operating Revenues		
Forfeited Discounts (470)	230	2
Other Water Revenues (474)	1,047	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	1,277	
Total Operating Revenues	121,194	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	32,413	5
General Operating Expenses (680-690)	30,399	6
Total Operation and Maintenance Expenses	62,812	
Other Operating Expenses		
Depreciation Expense (403)	18,960	7
Amortization Expense (404)		8
Taxes (408)	22,677	9
Total Other Operating Expenses	41,637	
Total Operating Expenses	104,449	
NET OPERATING INCOME	16,745	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	463	23,400	55,984	4
Commercial	80	8,549	16,180	5
Industrial	4	193	520	6
Total Metered Sales to General Customers (461)	547	32,142	72,684	
Private Fire Protection Service (462)	1		120	7
Public Fire Protection Service (463)	1		43,197	8
Other Sales to Public Authorities (464)	7	2,974	3,916	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	556	35,116	119,917	

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)	43,197	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)	43,197	
Forfeited Discounts (470):		
Customer late payment charges	230	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	230	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	973	7
Other (specify):		
OTHER MISCELLANEOUS REVENUE	74	8
Total Other Water Revenues (474)	1,047	
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)	15,528	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	7,668	3
Chemicals (630)	2,738	4
Supplies and Expenses (640)	5,640	5
Repairs of Water Plant (650)	839	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	32,413	
 GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	11,314	8
Office Supplies and Expenses (681)	1,192	9
Outside Services Employed (682)	2,512	10
Insurance Expense (684)	4,297	11
Employees Pensions and Benefits (686)	9,201	12
Regulatory Commission Expenses (688)	862	13
Miscellaneous General Expenses (689)	1,021	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	30,399	
 Total Operation and Maintenance Expenses	 62,812	

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		20,785	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		362	2
Net property tax equivalent		20,423	
Social Security		2,046	3
PSC Remainder Assessment		208	4
Other (specify): NONE			5
Total tax expense		22,677	

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			Clark				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.200204				3
County tax rate	mills		7.579320				4
Local tax rate	mills		8.822438				5
School tax rate	mills		9.143406				6
Voc. school tax rate	mills		1.885723				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		27.631091				10
Less: state credit	mills		1.502283				11
Net tax rate	mills		26.128808				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		8.822438				14
Combined School Tax Rate	mills		11.029129				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		19.851567				17
Total Tax Rate	mills		27.631091				18
Ratio of Local and School Tax to Total	dec.		0.718450				19
Total tax net of state credit	mills		26.128808				20
Net Local and School Tax Rate	mills		18.772251				21
Utility Plant, Jan. 1	\$	909,858	909,858				22
Materials & Supplies	\$	6,179	6,179				23
Subtotal	\$	916,037	916,037				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	916,037	916,037				26
Assessment Ratio	dec.		0.998974				27
Assessed Value	\$	915,097	915,097				28
Net Local & School Rate	mills		18.772251				29
Tax Equiv. Computed for Current Year	\$	17,178	17,178				30
Tax Equivalent per 1994 PSC Report	\$	20,785					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32 33
Tax equiv. for current year (see note 6)	\$	20,785					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	2,302		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)	53,296		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	55,598	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	18,271		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	38,870		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	16,841		20
Total Pumping Plant	73,982	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	8,065		23
Total Water Treatment Plant	8,065	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	600		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)			2,302 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)			53,296 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	55,598
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			18,271 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			38,870 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			16,841 20
Total Pumping Plant	0	0	73,982
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			8,065 23
Total Water Treatment Plant	0	0	8,065
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			600 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)	125,224		26
Transmission and Distribution Mains (343)	415,830	36,858	27
Fire Mains (344)	0		28
Services (345)	79,861	210	29
Meters (346)	38,639	1,035	30
Hydrants (348)	60,859	8,580	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	721,013	46,683	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	2,495		36
Transportation Equipment (373)	12,165		37
Other General Equipment (379)	18,366	4,524	38
Other Tangible Property (390)	0		39
Total General Plant	33,026	4,524	
Total utility plant in service directly assignable	891,684	51,207	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	891,684	51,207	

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)			125,224 26
Transmission and Distribution Mains (343)			452,688 27
Fire Mains (344)			0 28
Services (345)			80,071 29
Meters (346)			39,674 30
Hydrants (348)	2,029		67,410 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	2,029	0	765,667
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			2,495 36
Transportation Equipment (373)			12,165 37
Other General Equipment (379)			22,890 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	37,550
Total utility plant in service directly assignable	2,029	0	940,862
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	2,029	0	940,862

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

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

Sources of Water Supply					
Month	Purchased Water Gallons (000's)	Surface Water Gallons (000's)	Ground Water Gallons (000's)	Total Gallons All Methods (000's)	
(a)	(b)	(c)	(d)	(e)	
January			3,114	3,114	1
February			2,885	2,885	2
March			3,242	3,242	3
April			3,209	3,209	4
May			3,321	3,321	5
June			3,513	3,513	6
July			3,325	3,325	7
August			3,405	3,405	8
September			2,898	2,898	9
October			3,477	3,477	10
November			3,090	3,090	11
December			2,911	2,911	12
Total annual pumpage	0	0	38,390	38,390	
Less: Water sold				35,116	13
Volume pumped but not sold				3,274	14
Volume sold as a percent of volume pumped				91%	15
Volume used for water production, water quality and system maintenance				1,000	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales				1,000	18
Total volume not sold but accounted for				2,000	19
Volume pumped but unaccounted for				1,274	20
Percent of water lost				3%	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.)				223	23
Date of maximum: 6/23/2001					24
Cause of maximum: LEAK AT HIGH SCHOOL					25
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				49	26
Date of minimum: 8/19/2001					27
Total KWH used for pumping for the year				99,494	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	NO 1	34	18	41,000	Yes	1
WELL	NO 3	52	14	18,000	Yes	2
WELL	NO 4	57	10	12,000	Yes	3
WELL	NO 6	80	8	19,000	Yes	4
WELL	NO 7	40	12	14,000	Yes	5

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	WELL NO 1	WELL NO 3	WELL NO 4	1
Location	LOYAL	LOYAL	LOYAL	2
Purpose	P	P	P	3
Destination	R	R	R	4
Pump Manufacturer	JACCUZI	FAIR MORSE	BERKLEY	5
Year Installed	1988	1947	1950	6
Type	SUBMERSIBLE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	90	30	50	8
Pump Motor or Standby Engine Mfr	ELECTRIC MOTOR	ELECTRIC MOTOR	ELECTRIC MOTOR	9 10
Year Installed	1988	1947	1950	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	8	8	10	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	WELL NO 6	WELL NO 7		14
Location	LOYAL	LOYAL		15
Purpose	P	P		16
Destination	R	R		17
Pump Manufacturer	STARITE	CRANE & DERNUNG		18
Year Installed	2000	1973		19
Type	SUBMERSIBLE	VERTICAL TURBINE		20
Actual Capacity (gpm)	50	35		21
Pump Motor or Standby Engine Mfr	ELECTRIC MOTOR	ELECTRIC MOTOR		22 23
Year Installed	2000	1973		24
Type	ELECTRIC	ELECTRIC		25
Horsepower	5	5		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	LOYAL		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		3
Year constructed	1972		4
Primary material (earthen, steel, concrete, other)	STEEL		5
Elevation difference in feet (See Headnote 3.)	85		6
Total capacity in gallons (actual)	200,000		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)	NONE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	500.0000		12
Is a corrosion control chemical used (yes, no)?	Y		13
Is water fluoridated (yes, no)?	Y		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	4.000	15,384	0	0	0	15,384	1
M	D	6.000	16,692	0	0	0	16,692	2
M	D	8.000	11,858	13,176	0	0	25,034	3
M	D	10.000	6,298	0	0	0	6,298	4
M	D	12.000	3,902	0	0	0	3,902	5
Total Within Municipality			54,134	13,176	0	0	67,310	
Total Utility			54,134	13,176	0	0	67,310	

WATER SERVICES

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

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	485	0	0	22	507	22	1
M	1.000	90	1	0	19	110	19	2
M	1.250	2	0	0	0	2		3
M	1.500	4	0	0	0	4		4
M	2.000	9	0	0	0	9		5
M	4.000	1	0	0	0	1		6
Total Utility		591	1	0	41	633	41	

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)	
0.625	576	12	0	0	588	42	1
1.000	11	0	0	0	11	2	2
1.500	3	0	0	0	3	3	3
2.000	5	0	0	0	5	5	4
3.000	3	0	0	0	3	3	5
4.000	1	0	0	0	1	1	6
Total:	599	12	0	0	611	56	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	457	66	5	2	0	58	588	1
1.000	0	8	0	1	0	2	11	2
1.500	0	2	0	0	0	1	3	3
2.000	0	4	0	1	0	0	5	4
3.000	0	0	0	2	0	1	3	5
4.000	0	0	0	1	0	0	1	6
Total:	457	80	5	7	0	62	611	

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	90	4	3		91	2
Total Fire Hydrants	90	4	3	0	91	
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: 91
 Number of distribution system valves end of year: 198
 Number of distribution valves operated during year: 94

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Salaries and Wages (600) increase because in prior years wages were allocated evenly between water and sewer, and this year, they kept better track of their time and used actual wages.

Administration and General Salaries (680) increased because they had 2 clerks working for part of the year.

Employee pensions and benefits increased due to increase in salaries and wages and due to increase in health insurance premiums.

Water Utility Plant in Service (Page W-08)

Transmission and Distribution Mains (343) Additions are the Elm Drive extension and looping.

Water Mains (Page W-15)

The Water utility paid for 13,176 feet of additional mains for the extensions and looping for Elm Drive

Water Services (Page W-16)

Adjustments: In prior years, utility-owned services not in use were inadvertently not included.

One service was added for \$210 which was paid for by the customer.

Hydrants and Distribution System Valves (Page W-18)

In 2002, the utility plans to operate 100% of their distribution valves.
