



3015 (02-09-04)

ANNUAL REPORT

OF

Name: MARION MUNICIPAL WATER AND SEWER UTILITY

Principal Office: 725 SHERMAN STREET
P.O. BOX 127
MARION, WI 54950-0127

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: MARION MUNICIPAL WATER AND SEWER UTILITY

Utility Address: 725 SHERMAN STREET
P.O. BOX 127
MARION, WI 54950-0127

When was utility organized? 1/1/1928

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MS CYNTHIA KURTH

Title: CLERK-TREASURER

Office Address:

725 SHERMAN STREET
P.O. BOX 127
MARION, WI 54950-0127

Telephone: (715) 754 - 2124

Fax Number: (715) 754 - 5420

E-mail Address:

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

Name: BECKY LOOMIS

Title: IN-CHARGE ACCOUNTANT

Office Address: CLIFTON GUNDERSON LLP

201 FRONTENAC AVENUE
P.O. BOX 106
STEVENS POINT, WI 54481

Telephone: (715) 344 - 4984

Fax Number: (715) 344 - 8544

E-mail Address:

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

Name: JOHN HAMILTON

Title: CHAIRMAN

Office Address:

725 SHERMAN STREET
P.O. BOX 127
MARION, WI 54950-0127

Telephone: (715) 754 - 2124

Fax Number: (715) 754 - 5420

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: CLIFTON GUNDERSON LLP
201 FRONTENAC AVENUE
P.O. BOX 106
STEVENS POINT, WI 54481

Telephone: (715) 344 - 4984

Fax Number: (715) 344 - 8544

E-mail Address:

Date of most recent audit report: 2/15/2002

Period covered by most recent audit: DECEMBER 31, 2001

Names and titles of utility management including manager or superintendent:

Name: MR JOHN BORK

Title: SUPERINTENDENT

Office Address:

725 SHERMAN STREET
P.O. BOX 127
MARION, WI 54950-0127

Telephone: (715) 754 - 2124

Fax Number: (715) 754 - 5420

E-mail Address:

Name of utility commission/committee: UTILITY BOARD

Names of members of utility commission/committee:

- MR JOHN HAMILTON, CHAIR
- MR RICHARD PAISAR
- MR HARLAN RADTKE
- MR GEORGE STEPIEN
- MR GERALD WILIE

Is sewer service rendered by the utility? YES

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes?NO

Date of Ordinance:

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	243,493	241,335	1
Operating Expenses:			
Operation and Maintenance Expense (401)	61,944	54,474	2
Depreciation Expense (403)	47,413	48,431	3
Amortization Expense (404)	0	0	4
Taxes (408)	1,956	43,013	5
Total Operating Expenses	111,313	145,918	
Net Operating Income	132,180	95,417	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	132,180	95,417	
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)	38,858	51,752	9
Miscellaneous Nonoperating Income (421)	80,545	84,880	10
Total Other Income	119,403	136,632	
Total Income	251,583	232,049	
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	251,583	232,049	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	102,445	85,902	13
Amortization of Debt Discount and Expense (428)	1,435	3,120	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)	19,477		18
Total Interest Charges	84,403	89,022	
Net Income	167,180	143,027	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	1,056,905	872,417	19
Balance Transferred from Income (433)	167,180	143,027	20
Miscellaneous Credits to Surplus (434)	0	41,461	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)	1,224,085	1,056,905	

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):		
PREMIER COMMUNITY BANK	38,858	4
Total (Acct. 419):	38,858	
Miscellaneous Nonoperating Income (421):		
NON-REGULATED SEWER NET OPERATING INCOME	80,545	5
Total (Acct. 421):	80,545	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

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

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

- | |
|---|
| <p>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.</p> <p>2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).</p> |
|---|

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	243,493	0	0	0	243,493	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	243,493	0	0	0	243,493	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,189,530	2,175,949	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	325,731	278,501	2
Net Utility Plant	1,863,799	1,897,448	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	4,116,858	3,078,777	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	802,879	752,904	4
Net Nonutility Property	3,313,979	2,325,873	
Investment in Municipality (123)	1,059,438	0	5
Other Investments (124)	286,295	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	4,659,712	2,325,873	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	986,768	890,559	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	32,064	31,502	11
Other Accounts Receivable (143)	48,096	47,254	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	47,767	993,369	14
Materials and Supplies (150)	10,673	10,385	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	1,125,368	1,973,069	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	56,155	59,274	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	14,438	20
Total Deferred Debits	56,155	73,712	
Total Assets and Other Debits	7,705,034	6,270,102	

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)	953,458	927,616	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	1,224,085	1,056,905	23
Total Proprietary Capital	2,177,543	1,984,521	
LONG-TERM DEBT			
Bonds (221)	2,580,000	2,655,000	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	137,510	178,000	26
Total Long-Term Debt	2,717,510	2,833,000	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	590,201	111,131	28
Payables to Municipality (233)	0	22,200	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	39,794	20,576	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	629,995	153,907	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	604,455	0	36
Total Deferred Credits	604,455	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	1,575,531	1,298,674	38
Total Liabilities and Other Credits	7,705,034	6,270,102	

NET UTILITY PLANT

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

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	2,189,530	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	2,189,530	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	325,731	0	0	0	9
Total Accumulated Provision	325,731	0	0	0	
Net Utility Plant	1,863,799	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	278,501				278,501	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	47,413				47,413	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,417				1,417	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	48,830	0	0	0	48,830	13
Debits during year						14
Book cost of plant retired	1,600				1,600	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	1,600	0	0	0	1,600	19
Balance End of Year	325,731	0	0	0	325,731	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	3,078,777	1,038,081		4,116,858	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	3,078,777	1,038,081	0	4,116,858	
Less accum. prov. depr. & amort. (122)	752,904	49,975		802,879	3
Net Nonutility Property	2,325,873	988,106	0	3,313,979	

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	10,673	10,385
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	10,673	10,385

**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)				
1998 Revenue BANS	3,120	428	56,155	1
Total			<u><u>56,155</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	927,616	1
Changes during year (explain):		
CONTRIBUTION FROM TIF FUND	25,842	2
Balance end of year	953,458	

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)	
1998 W&S Revenue BANS Series B	12/01/1998	05/01/2019	4.50%	90,000	1
1998 W&S Revenue BANS Series A	12/01/1998	05/01/2002	4.15%	2,490,000	2
Total Bonds (Account 221):				2,580,000	

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)	
Other Long-Term Debt (224)					
NOTE PAYABLE-WATER TREATMENT PLANT	08/01/2000	09/01/2001	5.45%	137,510	1
Total for Account 224				137,510	

TAXES ACCRUED (ACCT. 236)

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

INTEREST ACCRUED (ACCT. 237)

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

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
1998 W&S Revenue BANS Series B	19,694	80,352	80,352	19,694	2
1998 W&S Revenue BANS Series A	882	2,616	2,875	623	3
Subtotal	20,576	82,968	83,227	20,317	
Advances from Municipality (223)					
NONE	0			0	4
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NOTE PAYABLE-WASTE WATER TREATMENT PLANT	0	19,477		19,477	5
Subtotal	0	19,477	0	19,477	
Notes Payable (231)					
NONE	0			0	6
Subtotal	0	0	0	0	
Total	20,576	102,445	83,227	39,794	

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	398,955	0	0	899,719	0	1,298,674	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
WASTE WATER TREATMENT PLANT				276,857		276,857	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	398,955	0	0	1,176,576	0	1,575,531	
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):		
DUE FROM THE TIF FUNDS	1,059,438	1
Total (Acct. 123):	1,059,438	
Other Investments (124):		
DEFERRED SPECIAL ASSESSMENTS-WATER	4,187	2
DEFERRED SPECIAL ASSESSMENTS-SEWER	10,251	3
RECEIVABLE FROM STATE-CDBG GRANT FOR WASTE WATER TREATMENT PLANT	271,857	4
Total (Acct. 124):	286,295	
Special Funds (125):		
NONE		5
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		6
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	32,064	7
Electric		8
Sewer (Regulated)		9
Other (specify):		
NONE		10
Total (Acct. 142):	32,064	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	48,096	11
Merchandising, jobbing and contract work		12
Other (specify):		
NONE		13
Total (Acct. 143):	48,096	
Receivables from Municipality (145):		
DUE FROM THE GENERAL FUND	47,767	14
Total (Acct. 145):	47,767	
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)	
Other Deferred Debits (183):		
NONE		17
Total (Acct. 183):	0	
Payables to Municipality (233):		
NONE		18
Total (Acct. 233):	0	
Other Deferred Credits (253):		
SHORT-TERM BORROWING-BOND ANTICIPATION NOTE	604,455	19
Total (Acct. 253):	604,455	

RETURN ON RATE BASE COMPUTATION

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

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	2,182,739	0	0	0	2,182,739	1
Materials and Supplies	10,529	0	0	0	10,529	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	302,116	0	0	0	302,116	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	398,955	0	0	0	398,955	6
Other (specify):					0	7
Average Net Rate Base	1,492,197	0	0	0	1,492,197	
Net Operating Income	132,180	0	0	0	132,180	8
Net Operating Income as a percent of Average Net Rate Base	8.86%	N/A	N/A	N/A	8.86%	

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	940,537	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	1,140,495	3
Other (Specify):		4
Total Average Proprietary Capital	2,081,032	
Net Income		
Net Income	167,180	5
Percent Return on Proprietary Capital	8.03%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

NONE

2. Leaseholder changes.

NONE

3. Extensions of service.

NONE

4. Estimated changes in revenues due to rate changes.

NONE

5. Obligations incurred or assumed, excluding commercial paper.

NONE

6. Formal proceedings with the Public Service Commission.

NONE

7. Any additional matters.

The sewer utility has begun construction of a new waste water treatment plant and as such there is a large amount in construction in progress on the sewer utility records.

FINANCIAL SECTION FOOTNOTES

Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110) (Page F-07)

An allocation is made for depreciation and return on investments for meters; however, there is no allocation for property tax equivalent as the property tax equivalent is zero.

Net Nonutility Property (Accts. 121 & 122) (Page F-08)

The difference between the additions shown on this page and the additions reported on schedule N-7 and N-8 is \$1,015,495 of construction in progress.

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

The contributions in aid of construction are from a community development block grant

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

The due from the general fund recorded in account 145 relates to the net of salaries paid by the general fund on behalf of the water/sewer fund and the fire protection charges due to the water/sewer fund.

The amount recorded in account 123 related to costs that have been paid by the water/sewer fund on behalf of the TIF fund. These costs will be reimbursed as tax increments are collected in future years,

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

Accountant's Report

Members of the City Council
City of Marion
Marion, Wisconsin

We have compiled the Municipal Utility Annual Report included in the accompanying prescribed form for the City of Marion, Wisconsin as of December 31, 2001 and for the year then ended in accordance with the Statements 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 Public Service Commission information that is the representation of management. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any other form of assurance on it.

This report is presented in accordance with the requirements of the Public Service Commission which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

Clifton Gunderson LLP

Stevens Point, Wisconsin
February 15, 2002

September 11, 2002

Ms. Cynthia Kurth, Clerk/Treasurer
Marion Municipal Water and Sewer Utility
P.O. Box 127
Marion, WI 54950-0127

2001 Analytical Review DWCCA-3380-PJL

Dear Ms. Kurth:

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

FINANCIAL SECTION FOOTNOTES

review did not identify any such issues.

However, you may receive additional inquiries from our office regarding your annual report during a rate case, construction authorization, or other Commission reviews.

Thank you for your efforts in preparing your 2001 annual report. If you have any questions, please feel free to contact me at (608) 267-9198 or by e-mail at peter.leege@psc.state.wi.us

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:bhh:w:\compl\Analytical Reviews\2001 analytical review letters\3380
Marion.doc

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	239,532	1
Total Sales of Water	239,532	
Other Operating Revenues		
Forfeited Discounts (470)	779	2
Other Water Revenues (474)	3,182	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	3,961	
Total Operating Revenues	243,493	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	44,628	5
General Operating Expenses (680-690)	17,316	6
Total Operation and Maintenance Expenses	61,944	
Other Operating Expenses		
Depreciation Expense (403)	47,413	7
Amortization Expense (404)		8
Taxes (408)	1,956	9
Total Other Operating Expenses	49,369	
Total Operating Expenses	111,313	
NET OPERATING INCOME	132,180	

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	30	203	1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	1	30	203	
Metered Sales to General Customers (461)				
Residential	460	20,041	62,765	4
Commercial	70	8,015	20,725	5
Industrial	9	39,493	55,579	6
Total Metered Sales to General Customers (461)	539	67,549	139,069	
Private Fire Protection Service (462)	4		2,632	7
Public Fire Protection Service (463)	1		90,545	8
Other Sales to Public Authorities (464)	15	2,741	7,083	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	560	70,320	239,532	

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)	90,545	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)	90,545	
Forfeited Discounts (470):		
Customer late payment charges	779	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	779	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,069	7
Other (specify):		
MISCELLANEOUS CHARGES	2,113	8
Total Other Water Revenues (474)	3,182	
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)	22,108	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	8,172	3
Chemicals (630)	997	4
Supplies and Expenses (640)	10,552	5
Repairs of Water Plant (650)	2,799	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	44,628	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	3,500	8
Office Supplies and Expenses (681)		9
Outside Services Employed (682)		10
Insurance Expense (684)	4,568	11
Employees Pensions and Benefits (686)	8,920	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	328	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	17,316	
Total Operation and Maintenance Expenses	61,944	

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		0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security		1,679	3
PSC Remainder Assessment		277	4
Other (specify): NONE			5
Total tax expense		1,956	

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			Shawano	Waupaca			1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.197793	0.197793			3
County tax rate	mills		5.142624	5.142624			4
Local tax rate	mills		7.812832	7.812832			5
School tax rate	mills		8.010625	8.010625			6
Voc. school tax rate	mills		1.879036	1.879036			7
Other tax rate - Local	mills		0.000000	0.000000			8
Other tax rate - Non-Local	mills		0.000000	0.000000			9
Total tax rate	mills		23.042910	23.042910			10
Less: state credit	mills		1.160000	1.160000			11
Net tax rate	mills		21.882910	21.882910			12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		7.812832	7.812832			14
Combined School Tax Rate	mills		9.889661	9.889661			15
Other Tax Rate - Local	mills		0.000000	0.000000			16
Total Local & School Tax	mills		17.702493	17.702493			17
Total Tax Rate	mills		23.042910	23.042910			18
Ratio of Local and School Tax to Total	dec.		0.768240	0.768240			19
Total tax net of state credit	mills		21.882910	21.882910			20
Net Local and School Tax Rate	mills		16.811334	16.811334			21
Utility Plant, Jan. 1	\$	2,175,949	2,154,190	21,759			22
Materials & Supplies	\$	10,385	10,385	0			23
Subtotal	\$	2,186,334	2,164,575	21,759			24
Less: Plant Outside Limits	\$	0	0	0			25
Taxable Assets	\$	2,186,334	2,164,575	21,759			26
Assessment Ratio	dec.		1.014722	1.009965			27
Assessed Value	\$	2,218,418	2,196,442	21,976			28
Net Local & School Rate	mills		16.811334	16.811334			29
Tax Equiv. Computed for Current Year	\$	37,295	36,925	369			30
Tax Equivalent per 1994 PSC Report	\$	23,140					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$	0					32
Tax equiv. for current year (see note 6)	\$	0					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)	414		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	414	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	679		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)	20,628		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	21,307	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	75,999		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	226,131		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	50,736		20
Total Pumping Plant	352,866	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	40,925		23
Total Water Treatment Plant	40,925	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	191		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)			414	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	414	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			679	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)			20,628	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	21,307	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			75,999	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			226,131	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			50,736	20
Total Pumping Plant	0	0	352,866	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			40,925	23
Total Water Treatment Plant	0	0	40,925	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			191	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)	591,162		26
Transmission and Distribution Mains (343)	894,310	12,920	27
Fire Mains (344)	0		28
Services (345)	69,607		29
Meters (346)	56,016	2,261	30
Hydrants (348)	93,298		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,704,584	15,181	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	5,996		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	21,720		37
Other General Equipment (379)	28,137		38
Other Tangible Property (390)	0		39
Total General Plant	55,853	0	
Total utility plant in service directly assignable	2,175,949	15,181	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	2,175,949	15,181	

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)			591,162 26
Transmission and Distribution Mains (343)			907,230 27
Fire Mains (344)			0 28
Services (345)			69,607 29
Meters (346)	1,600		56,677 30
Hydrants (348)			93,298 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	1,600	0	1,718,165
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			5,996 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			21,720 37
Other General Equipment (379)			28,137 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	55,853
Total utility plant in service directly assignable	1,600	0	2,189,530
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	1,600	0	2,189,530

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

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

Sources of Water Supply					
Month	Purchased Water	Surface Water	Ground Water	Total Gallons	
(a)	Gallons	Gallons	Gallons	All Methods	
	(000's)	(000's)	(000's)	(000's)	
(a)	(b)	(c)	(d)	(e)	
January			6,191	6,191	1
February			5,216	5,216	2
March			5,578	5,578	3
April			5,351	5,351	4
May			6,540	6,540	5
June			6,081	6,081	6
July			9,133	9,133	7
August			9,537	9,537	8
September			6,973	6,973	9
October			7,028	7,028	10
November			6,084	6,084	11
December			6,251	6,251	12
Total annual pumpage	0	0	79,963	79,963	
Less: Water sold				70,320	13
Volume pumped but not sold				9,643	14
Volume sold as a percent of volume pumped				88%	15
Volume used for water production, water quality and system maintenance				669	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				669	19
Volume pumped but unaccounted for				8,974	20
Percent of water lost				11%	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.)				443	23
Date of maximum: 7/13/2001					24
Cause of maximum:					25
Marion Plywood filled their sprinkling pond.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				81	26
Date of minimum: 11/22/2001					27
Total KWH used for pumping for the year				109,900	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	1	98	12	170,000	Yes	1
WELL NO. 2	2	76	16	84,000	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	HIGHLIFT #1	HIGHLIFT #2	NO.1	1
Location	HIGHLIFT #1	HIGHLIFT #2	WELL #1	2
Purpose	B	B	P	3
Destination	D	D	R	4
Pump Manufacturer	SIMMONS	SIMMONS	LAYNE N.W.	5
Year Installed	1990	1990	1935	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	550	550	450	8
Pump Motor or Standby Engine Mfr	U.S.	U.S.	U.S.	10
Year Installed	1990	1990	1996	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	40	40	10	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	NO.2			14
Location	WELL NO. 2			15
Purpose	P			16
Destination	R			17
Pump Manufacturer	LAYNE N.W.			18
Year Installed	1957			19
Type	VERTICAL TURBINE			20
Actual Capacity (gpm)	300			21
Pump Motor or Standby Engine Mfr	U.S.			23
Year Installed	1996			24
Type	ELECTRIC			25
Horsepower	7			26

RESERVOIRS, STANDPIPES & WATER TREATMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification number or name	#1	#2		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	ET		3
Year constructed	1990	1997		4
Primary material (earthen, steel, concrete, other)	CONCRETE	STEEL		5
Elevation difference in feet (See Headnote 3.)	6	128		6
Total capacity in gallons (actual)	100,000	250,000		7
WATER TREATMENT PLANT				8
Disinfection, type of equipment (gas, liquid, powder, other)	GAS			9
Points of application (wellhouse, central facilities, booster station, other)	BOOSTER STATION			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.)	1.5120			12
Is a corrosion control chemical used (yes, no)?	N	N		13
Is water fluoridated (yes, no)?	Y	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	6.000	32,910	0	0	0	32,910	1
M	D	8.000	11,660	0	0	0	11,660	2
M	D	10.000	14,907	0	0	0	14,907	3
M	D	12.000	1,975	0	0	0	1,975	4
Total Within Municipality			61,452	0	0	0	61,452	
Total Utility			61,452	0	0	0	61,452	

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	527	0	0	0	527	23	1
M	1.000	93	0	0	0	93	45	2
M	1.250	2	0	0	0	2		3
M	1.500	8	0	0	0	8	2	4
M	2.000	18	0	0	0	18	11	5
M	3.000	2	0	0	0	2		6
M	4.000	3	0	0	0	3		7
Total Utility		653	0	0	0	653	81	

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	600	40	26	0	614	29	1
1.000	23	1	1	0	23	2	2
1.250	1	0	0	0	1	0	3
1.500	10	0	0	0	10	1	4
2.000	10	2	1	0	11	1	5
3.000	3	2	2	0	3	2	6
4.000	2	2	2	0	2	2	7
Total:	649	47	32	0	664	37	

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	465	50	3	7	0	89	614	1
1.000	1	15	1	3	1	2	23	2
1.250	0	0	1	0	0	0	1	3
1.500	0	7	0	1	0	2	10	4
2.000	0	3	4	3	1	0	11	5
3.000	0	0	0	1	0	2	3	6
4.000	0	0	1	1	0	0	2	7
Total:	466	75	10	16	2	95	664	

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	96				96	2
Total Fire Hydrants	96	0	0	0	96	
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:	96
Number of distribution system valves end of year:	151
Number of distribution valves operated during year:	83

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

The increase in employee benefits is due to an increase in health insurance premiums.

There were no outside services expenses in 2001 due to a reimbursement from prior overpayments.

The increase in operating supplies and expense is due to patching work that was done this year.

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

The approved on June 2, 1997 to have a zero property tax equivalent.

Water Utility Plant in Service (Page W-08)

\$12,920 was added to transmission and distribution mains but no feet were added to schedule W-15 as this amount was a close out of a major project that was done in 2000. We were unaware at the time the 2000 report was prepared that these amounts were still outstanding on the project.

SEWER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sewage Operating Revenues		
Sewage Operating Revenues (621-626)	235,902	1
Total Sewage Operating Revenues	235,902	
Other Operating Revenues		
Forfeited Discounts (631)	1,094	2
Servicing of Customers Lateral (632)	0	3
Sale of Fertilizer (633)	0	4
Rent from Sewerage Properties (634)	0	5
Miscellaneous Operating Revenues (635)	0	6
Amortization of Construction Grants (636)	0	7
Total Other Operating Revenues	1,094	
Total Operating Revenues	236,996	
Operation and Maintenance Expenses		
Operation Expenses (820-829)	81,215	8
Maintenance Expenses (831-834)	1,291	9
Customer Accounting & Collection Expenses (840-843)	0	10
Administrative and General Expenses (850-857)	18,808	11
Total Operation and Maintenance Expenses	101,314	
Other Operating Expenses		
Depreciation Expense (403)	51,392	12
Amortization Expense (404)		13
Taxes (408)	2,677	14
Total Other Operating Expenses	54,069	
Total Operating Expenses	155,383	
NET OPERATING INCOME	81,613	

SEWAGE OPERATING REVENUES

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for flat rate service.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. In the gallons column, report metered water or sewage used as the basis in determining customer bills.

Particulars (a)	Average No. Thousands of Gallons Customers Billed		Amounts (d)	
	(b)	(c)		
Operating Revenues				
Sewage Operating Revenues				
Flat Rate Service to General Customers (621)				
Residential Revenues				1
Commercial Revenues				2
Industrial Revenues				3
Revenues from Public Authorities				4
Total Flat Rate Service to General Customers (621)	0	0	0	
Measured Service to General Customers (622)				
Residential Revenues	476	19,707	125,426	5
Commercial Revenues	72	7,887	44,947	6
Industrial Revenues	12	10,811	55,699	7
Revenues from Public Authorities				8
Total Measured Service to General Customers (622)	560	38,405	226,072	
Service to Public Authorities (623)	11	1,605	9,830	9
Service to Other Systems (624)				10
Other Sewerage Service (625)				11
Interdepartmental Service (626)				12
Total Sewage Operating Revenues	571	40,010	235,902	

HIGH STRENGTH CONTRIBUTORS

1. High strength contributor is one with waste stronger than 250 mg/l for B.O.D. or 250 mg/l for suspended solids or 10 mg/l for phosphorus.
2. If domestic strength limits for BOD, SS and Phos. used for rate purposes are different from the levels indicated, please note the limits used in the spaces available.
3. The units "mg/l" are now used in place of the equivalent "ppm."
4. List type, volume, strength.

Type (a)	Volume Annual Gallons (000's) (b)	BOD (mg/l) (c)	SS (mg/l) (d)	Phos (mg/l) (e)
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NONE

OTHER OPERATING REVENUES (SEWER)

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 \$2,000 and all other lesser amounts grouped as Miscellaneous.

Particulars (a)	Amount (b)	
Customers Forfeited Discounts (631):		
Customer late payment charges	1,094	1
Other (specify):		
NONE		2
Total Customers Forfeited Discounts (631)	1,094	
Servicing of Customers Laterals (632):		
NONE		3
Total Servicing of Customers Laterals (632)	0	
Sale of Fertilizer (633):		
NONE		4
Total Sale of Fertilizer (633)	0	
Rent from Sewerage Property (634):		
NONE		5
Total Rent from Sewerage Property (634)	0	
Miscellaneous Operating Revenues (635):		
NONE		6
Total Miscellaneous Operating Revenues (635)	0	
Amortization of Construction Grants (636):		
NONE		7
Total Amortization of Construction Grants (636)	0	

SEWER 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)	
OPERATION EXPENSES		
Supervision and Labor (820)	34,994	1
Power and Fuel for Pumping (821)	14,375	2
Power and Fuel for Aeration Equipment (822)		3
Chlorine (823)		4
Phosphorous Removal Chemicals (824)		5
Sludge Conditioning Chemicals (825)	2,464	6
Other Chemicals for Sewage Treatment (826)		7
Other Operating Supplies and Expenses (827)	29,382	8
Transportation Expenses (828)		9
Rents (829)		10
Total Operation Expenses	81,215	
MAINTENANCE EXPENSES		
Maintenance of Sewage Collection System (831)		11
Maintenance of Collection System Pumping Equipment (832)	1,291	12
Maintenance of Treatment and Disposal Plant Equipment (833)		13
Maintenance of General Plant Structures and Equipment (834)		14
Total Maintenance Expenses	1,291	
CUSTOMER ACCOUNTING & COLLECTION EXPENSES		
Billing, Collecting and Accounting (840)		15
Flat Rate Inspections (841)		16
Meter Reading (842)		17
Uncollectible Accounts (843)		18
Total Customer Accounting & Collection Expenses	0	
ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and General Salaries (850)	2,250	19
Office Supplies and Expenses (851)	1,125	20
Outside Services Employed (852)	1,723	21
Insurance Expense (853)	2,314	22
Employees Pensions and Benefits (854)	9,758	23

SEWER 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)
ADMINISTRATIVE AND GENERAL EXPENSES	
Regulatory Commission Expenses (855)	24
Miscellaneous General Expenses (856)	1,638 25
Rents (857)	26
Total Administrative and General Expenses	<u>18,808</u>
 Total Operation and Maintenance Expenses	 <u><u>101,314</u></u>

TAXES (ACCT. 408 - SEWER)

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

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Social Security		2,677	1
Local and School Tax Equivalent on Meters Charged by Water Department			2
PSC Remainder Assessment			3
Other (specify): NONE			4
Total tax expense		<u><u>2,677</u></u>	

SEWER 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 accounts 391.1 and 397.1, 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	
COLLECTION SYSTEM			
Land and Land Rights (310)	179,600		4
Structures and Improvements (311)	467,430		5
Service Connections, Traps, and Accessories (312)	0		6
Collecting Mains and Accessories (313)	1,487,477	12,921	7
Interceptor Mains and Accessories (314)	0		8
Force Mains (315)	0		9
Other Collecting System Equipment (316)	43,049		10
Total Collection System	2,177,556	12,921	
COLLECTION SYSTEM PUMPING INSTALLATIONS			
Land and Land Rights (320)	0		11
Structures and Improvements (321)	0		12
Receiving Wells (322)	0		13
Electric Pumping Equipment (323)	92,642		14
Other Power Pumping Equipment (324)	0		15
Miscellaneous Pumping Equipment (325)	11,748		16
Total Collection System Pumping Installations	104,390	0	
TREATMENT AND DISPOSAL PLANT			
Land and Land Rights (330)	0		17
Structures and Improvements (331)	489,025		18
Preliminary Treatment Equipment (332)	10,441		19
Primary Treatment Equipment (333)	0		20
Secondary Treatment Equipment (334)	196,403		21
Advanced Treatment Equipment (335)	0		22
Chlorination Equipment (336)	30,636		23
Sludge Treatment and Disposal Equipment (337)	12,364		24
Plant Site Piping (338)	0		25
Flow Metering and Monitoring Equipment (339)	18,962		26
Outfall Sewer Pipes (340)	0		27

SEWER 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	
COLLECTION SYSTEM				
Land and Land Rights (310)			179,600	4
Structures and Improvements (311)			467,430	5
Service Connections, Traps, and Accessories (312)			0	6
Collecting Mains and Accessories (313)			1,500,398	7
Interceptor Mains and Accessories (314)			0	8
Force Mains (315)			0	9
Other Collecting System Equipment (316)			43,049	10
Total Collection System	0	0	2,190,477	
COLLECTION SYSTEM PUMPING INSTALLATIONS				
Land and Land Rights (320)			0	11
Structures and Improvements (321)			0	12
Receiving Wells (322)			0	13
Electric Pumping Equipment (323)			92,642	14
Other Power Pumping Equipment (324)			0	15
Miscellaneous Pumping Equipment (325)			11,748	16
Total Collection System Pumping Installations	0	0	104,390	
TREATMENT AND DISPOSAL PLANT				
Land and Land Rights (330)			0	17
Structures and Improvements (331)			489,025	18
Preliminary Treatment Equipment (332)			10,441	19
Primary Treatment Equipment (333)			0	20
Secondary Treatment Equipment (334)			196,403	21
Advanced Treatment Equipment (335)			0	22
Chlorination Equipment (336)			30,636	23
Sludge Treatment and Disposal Equipment (337)			12,364	24
Plant Site Piping (338)			0	25
Flow Metering and Monitoring Equipment (339)			18,962	26
Outfall Sewer Pipes (340)			0	27

SEWER 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 accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TREATMENT AND DISPOSAL PLANT			
Other Treatment and Disposal Plant Equipment (341)	38,999	9,665	28
Total Treatment and Disposal Plant	796,830	9,665	
 GENERAL PLANT			
Land and Land Rights (370)	0		29
Structures and Improvements (371)	0		30
Office Furniture and Equipment (372)	0		31
Computer Equipment (372.1)	0		32
Transportation Equipment (373)	0		33
Other General Equipment (379)	0		34
Other Tangible Property (390)	0		35
Total General Plant	0	0	
Total utility plant in service directly assignable	3,078,776	22,586	
Common Utility Plant Allocated to Sewer Department	0		36
Total utility plant in service	3,078,776	22,586	

SEWER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TREATMENT AND DISPOSAL PLANT			
Other Treatment and Disposal Plant Equipment (341)			48,664 28
Total Treatment and Disposal Plant	0	0	806,495
GENERAL PLANT			
Land and Land Rights (370)			0 29
Structures and Improvements (371)			0 30
Office Furniture and Equipment (372)			0 31
Computer Equipment (372.1)			0 32
Transportation Equipment (373)			0 33
Other General Equipment (379)			0 34
Other Tangible Property (390)			0 35
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	3,101,362
Common Utility Plant Allocated to Sewer Department			0 36
Total utility plant in service	0	0	3,101,362

SEWER 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 disconnected 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 diameter; pipe materials do not need to be specified.

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)
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NONE

SEWER MAINS

1. Report mains separately by diameter. Pipe materials do not need to be specified.
2. Explain all reported adjustments as a schedule footnote.
3. For main additions reported in column (c), 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					
Diameter in Inches (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)

NONE

SEWER OPERATING SECTION FOOTNOTES

Sewer Operation & Maintenance Expenses (Page N-05)

The increase in account 827-operating supplies and expense is due to a \$4,506 DNR environmental fee and approximately \$6,000 for repairs to the boiler and the heat exchanger.

Sewer Utility Plant in Service (Page N-07)

The additions to collection mains is related to the same project noted at W-8 and W-9, and thus no feet of main were added in 2001.
