



3015 (02-05-09)

ANNUAL REPORT

OF

Name: PHELPS SANITARY DISTRICT NO. 1

Principal Office: P.O. BOX 227
PHELPS, WI 54554

For the Year Ended: DECEMBER 31, 2009

**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.

GENERAL RULES FOR REPORTING

1. Prepare the report in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin.
2. Numeric items shall contain digits (0-9). A minus sign "-" shall be entered in the software program to indicate negative values. Parentheses shall not be used for numeric items. The program will convert the minus sign to parentheses for hard copy annual report purposes. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
3. The annual report should be complete in itself in all particulars. Reference to reports of former years should not be made to take the place of required entries except as otherwise specifically authorized.
4. Whenever schedules call for data from the previous year, the data reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different data is being reported for the current year. Where available, use an adjustment column.
5. All dollar amounts will be reported in whole dollars.
6. Wherever information is required to be shown as text, the information shall be shown in the space provided using other than account titles. In each case, the information shall be properly identified. Footnote capability is included in the annual report software program and shall be utilized where necessary to further explain particulars of a schedule.

SIGNATURE PAGE

I PATRICIA GILL of
(Person responsible for accounts)

PHELPS SANITARY DISTRICT NO. 1, certify that I
(Utility Name)

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

(Signature of person responsible for accounts) 04/01/2010
(Date)

BOOKKEEPER
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: PHELPS SANITARY DISTRICT NO. 1

Utility Address: P.O. BOX 227
PHELPS, WI 54554

When was utility organized? 4/3/1969

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: PATRICIA A. GILL

Title: BOOKKEEPER

Office Address:

2789 ST LOUIS RD
PHELPS, WI 54554

Telephone: (715) 545 - 3409

Fax Number: (715) 545 - 3409

Email Address: gilleypat@yahoo.com

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

Name: RANDALL H BEARD

Title: PARTNER

Office Address: WIPFLI LLP

43 A W DAVENPORT
RHINELANDER, WI 54501

Telephone: (715) 369 - 1040 EXT 40021

Fax Number: (715) 369 - 5407

Email Address: rbeard@wipfli.com

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

Name: JOHN BARRON

Title: PRESIDENT

Office Address:

P.O. BOX 227
PHELPS, WI 54554

Telephone: (715) 545 - 3222

Fax Number: (715) 545 - 3222

Email Address: barron@aceweb.com

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

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

Name:

Title:

Office Address:

Telephone:

Fax Number:

Email Address:

IDENTIFICATION AND OWNERSHIP

Date of most recent audit report:

Period covered by most recent audit:

Names and titles of utility management including manager or superintendent:

Name: ROB ANDERSEN III

Title: OPERATOR

Office Address:

P.O. BOX 227
PHELPS, WI 54554

Telephone: (715) 545 - 3222

Fax Number: (715) 545 - 3222

Email Address: psdnumber1@peoplepc.com

Name of utility commission/committee: n/a

Names of members of utility commission/committee:

- MR JAMES ADAMS, SECRETARY
- MR JOHN BARRON, PRESIDENT
- MR LEE PETRICK, TREASURER

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? YES

Date of Ordinance: 4/3/1969

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:

Firm Name: NONE

Contact Person:

Title:

Telephone:

Fax Number:

Email Address:

Contract/Agreement beginning-ending dates:

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

IDENTIFICATION AND OWNERSHIP

Identification and Ownership - Contacts (Page iv)

General footnotes

ACCOUNTANT'S COMPIIATION REPORT

Board of Commissioners
Phelps Sanitary District No. 1
Phelps, Wisconsin

We have compiled the balance sheet of Phelps Sanitary District as of December 31, 2009 and 2008, and the related income and earned surplus statements for the years then ended included in the accompanying Utility Annual Report in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the Utility Annual Report.

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

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

Wipfli LLP

March 31, 2010
Rhineland, Wisconsin

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	63,137	61,407	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	47,958	45,672	2
Depreciation Expense (403)	29,204	20,785	3
Amortization Expense (404-407)	1,937	1,937	4
Taxes (408)	2,084	1,596	5
Total Operating Expenses	81,183	69,990	
Net Operating Income	(18,046)	(8,583)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(18,046)	(8,583)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Income from Nonutility Operations (417)	0	0	8
Nonoperating Rental Income (418)	0	0	9
Interest and Dividend Income (419)	1,110	1,762	10
Miscellaneous Nonoperating Income (421)	1,326,569	24,042	11
Total Other Income	1,327,679	25,804	
Total Income	1,309,633	17,221	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(4,989)	(4,989)	12
Other Income Deductions (426)	7,882	9,288	13
Total Miscellaneous Income Deductions	2,893	4,299	
Income Before Interest Charges	1,306,740	12,922	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	43,799	48,526	14
Amortization of Debt Discount and Expense (428)	0	0	15
Amortization of Premium on Debt--Cr. (429)	0	0	16
Interest on Debt to Municipality (430)	0	0	17
Other Interest Expense (431)	828	1,178	18
Interest Charged to Construction--Cr. (432)	0	0	19
Total Interest Charges	44,627	49,704	
Net Income	1,262,113	(36,782)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	443,863	483,172	20
Balance Transferred from Income (433)	1,262,113	(36,782)	21
Miscellaneous Credits to Surplus (434)	0	(2,527)	22
Miscellaneous Debits to Surplus--Debit (435)	243,624	0	23
Appropriations of Surplus--Debit (436)	0	0	24
Appropriations of Income to Municipal Funds--Debit (439)	0	0	25
Total Unappropriated Earned Surplus End of Year (216)	1,462,352	443,863	

DETAILS OF INCOME STATEMENT ACCOUNTS

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)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	63,137	0	63,137	1
Total (Acct. 400):	63,137	0	63,137	
Operation and Maintenance Expense (401-402):				
Derived	47,958	0	47,958	2
Total (Acct. 401-402):	47,958	0	47,958	
Depreciation Expense (403):				
Derived	29,204	0	29,204	3
Total (Acct. 403):	29,204	0	29,204	
Amortization Expense (404-407):				
Derived	1,937	0	1,937	4
Total (Acct. 404-407):	1,937	0	1,937	
Taxes (408):				
Derived	2,084	0	2,084	5
Total (Acct. 408):	2,084	0	2,084	
Revenues from Utility Plant Leased to Others (412):				
NONE			0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE			0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	(18,046)	0	(18,046)	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0	0	0	8
Total (Acct. 415-416):	0	0	0	
Income from Nonutility Operations (417):				
NONE			0	9
Total (Acct. 417):	0	0	0	
Nonoperating Rental Income (418):				
NONE			0	10
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST INCOME	1,110		1,110	11
Total (Acct. 419):	1,110	0	1,110	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water		249,070	249,070	12
NONREGULATED SEWER DEPRECIATION CONTRIBUTED PLANT	0	(26,650)	(26,650)	13

DETAILS OF INCOME STATEMENT ACCOUNTS

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)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
OTHER INCOME				
Miscellaneous Nonoperating Income (421):				
NONREGULATED SEWER	62,261	1,041,888	1,104,149	14
Total (Acct. 421):	62,261	1,264,308	1,326,569	
TOTAL OTHER INCOME:	63,371	1,264,308	1,327,679	
MISCELLANEOUS INCOME DEDUCTIONS				
Miscellaneous Amortization (425):				
Regulatory Liability (253) Amortization	(4,989)	0	(4,989)	15
NONE			0	16
Total (Acct. 425):	(4,989)	0	(4,989)	
Other Income Deductions (426):				
Depreciation Expense on Contributed Plant - Water	0	7,882	7,882	17
NONE			0	18
Total (Acct. 426):	0	7,882	7,882	
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(4,989)	7,882	2,893	
INTEREST CHARGES				
Interest on Long-Term Debt (427):				
Derived	43,799	0	43,799	19
Total (Acct. 427):	43,799	0	43,799	
Amortization of Debt Discount and Expense (428):				
NONE			0	20
Total (Acct. 428):	0	0	0	
Amortization of Premium on Debt--Cr. (429):				
NONE			0	21
Total (Acct. 429):	0	0	0	
Interest on Debt to Municipality (430):				
Derived	0	0	0	22
Total (Acct. 430):	0	0	0	
Other Interest Expense (431):				
Derived	828	0	828	23
Total (Acct. 431):	828	0	828	
Interest Charged to Construction--Cr. (432):				
NONE			0	24
Total (Acct. 432):	0	0	0	
TOTAL INTEREST CHARGES:	44,627	0	44,627	
NET INCOME:	5,687	1,256,426	1,262,113	
EARNED SURPLUS				
Unappropriated Earned Surplus (Beginning of Year) (216):				
Derived	(390,566)	834,429	443,863	25
Total (Acct. 216):	(390,566)	834,429	443,863	

DETAILS OF INCOME STATEMENT ACCOUNTS

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)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
EARNED SURPLUS				
Balance Transferred from Income (433):				
Derived	5,687	1,256,426	1,262,113	26
Total (Acct. 433):	5,687	1,256,426	1,262,113	
Miscellaneous Credits to Surplus (434):				
NONE			0	27
Total (Acct. 434):	0	0	0	
Miscellaneous Debits to Surplus--Debit (435):				
LOSS ON DISPOSAL OF ASSETS RETIRED EARLY SEWER	47,219	48,713	95,932	28
LOSS ON DISPOSAL OF ASSETS RETIRED EARLY WATER		147,692	147,692	29
Total (Acct. 435)--Debit:	47,219	196,405	243,624	
Appropriations of Surplus--Debit (436):				
Detail appropriations to (from) account 215			0	30
Total (Acct. 436)--Debit:	0	0	0	
Appropriations of Income to Municipal Funds--Debit (439):				
NONE			0	31
Total (Acct. 439)--Debit:	0	0	0	
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	(432,098)	1,894,450	1,462,352	

DETAILS OF INCOME STATEMENT ACCOUNTS

Details of Income Statement Accounts (Page F-02)

If amount of Miscellaneous Debits to Surplus (Acct 435) exceeds \$2,000, please explain fully.

In 2009 the Utility replaced 16,415 feet of Water mains. The Mains were not fully depreciated and this adjustment was necessary to record the loss on early retirement.

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):						
NONE					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	63,137	0	0	0	63,137	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 -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases)						
to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	63,137	0	0	0	63,137	

FULL-TIME EMPLOYEES (FTE)

Use FTE numbers where FTE stands for full-time employees or full-time equivalency. FTE can be computed by using total hours worked/2080 hours for a fiscal year. Estimate to the nearest tenth. If an employee works part time for more than one industry then determine FTE based on estimate of hours worked per industry.

Example: An employee worked 35% of their time on electric jobs, 30% on water jobs, 20% on sewer jobs and 15% on municipal nonutility jobs. The FTE by industry would be .4 for electric, .3 for water and .2 for sewer.

Industry (a)	FTE (b)	
Water	0.5	1
Electric		2
Gas		3
Sewer	0.8	4

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (101)	2,192,353	1,191,260	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (111)	355,307	394,484	2
Net Utility Plant	1,837,046	796,776	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	2,622,482	1,517,856	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	687,364	711,643	4
Net Nonutility Property	1,935,118	806,213	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Sinking Funds (125)	42,419	77,912	7
Depreciation Fund (126)	0	0	8
Other Special Funds (128)	0	0	9
Total Other Property and Investments	1,977,537	884,125	
CURRENT AND ACCRUED ASSETS			
Cash (131)	75,909	56,531	10
Special Deposits (134)	0	0	11
Working Funds (135)			12
Temporary Cash Investments (136)			13
Notes Receivable (141)	0	0	14
Customer Accounts Receivable (142)	5,752	7,442	15
Other Accounts Receivable (143)	1,116,085	25,004	16
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	17
Receivables from Municipality (145)	61,064	58,663	18
Plant Materials and Operating Supplies (154)	4,124	5,696	19
Merchandise (155)	0	0	20
Other Materials and Supplies (156)	0	0	21
Stores Expense (163)	0	0	22
Prepayments (165)	3,819	3,718	23
Interest and Dividends Receivable (171)			24
Accrued Utility Revenues (173)			25
Miscellaneous Current and Accrued Assets (174)			26
Total Current and Accrued Assets	1,266,753	157,054	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	27
Extraordinary Property Losses (182)	0	0	28
Preliminary Survey and Investigation Charges (183)	0	0	29
Clearing Accounts (184)	0	0	30
Temporary Facilities (185)	0	0	31
Miscellaneous Deferred Debits (186)	629	10,448	32
Total Deferred Debits	629	10,448	
Total Assets and Other Debits	5,081,965	1,848,403	

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)	120,000	90,000	33
Appropriated Earned Surplus (215)			34
Unappropriated Earned Surplus (216)	1,462,352	443,863	35
Total Proprietary Capital	1,582,352	533,863	
LONG-TERM DEBT			
Bonds (221)	646,300	922,300	36
Advances from Municipality (223)	0	0	37
Other long-Term Debt (224)	21,139	51,975	38
Total Long-Term Debt	667,439	974,275	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	1,121,000	21,000	39
Accounts Payable (232)	1,291,402	4,201	40
Payables to Municipality (233)	134,864	16,500	41
Customer Deposits (235)			42
Taxes Accrued (236)	717	1,751	43
Interest Accrued (237)	3,425	12,576	44
Tax Collections Payable (241)			45
Miscellaneous Current and Accrued Liabilities (242)	14,194	767	46
Total Current and Accrued Liabilities	2,565,602	56,795	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	47
Customer Advances for Construction (252)			48
Other Deferred Credits (253)	266,572	283,470	49
Total Deferred Credits	266,572	283,470	
OPERATING RESERVES			
Property Insurance Reserve (261)			50
Injuries and Damages Reserve (262)			51
Pensions and Benefits Reserve (263)			52
Miscellaneous Operating Reserves (265)			53
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	5,081,965	1,848,403	

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)	
First of Year:					
Total Utility Plant - First of Year	1,191,260	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (101.1)	1,574,672	0	0	0	2
Utility Plant in Service - Contributed Plant (101.2)	617,681	0	0	0	3
Utility Plant Purchased or Sold (102)					4
Utility Plant Leased to Others (104)					5
Property Held for Future Use (105)					6
Construction Work in Progress (107)					7
Total Utility Plant	2,192,353	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (111.1)	276,589	0	0	0	8
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (111.2)	78,718	0	0	0	9
Accumulated Provision for Depreciation of Utility Plant Leased to Others (112)					10
Accumulated Provision for Depreciation of Property Held for Future Use (113)					11
Accumulated Provision for Amortization of Utility Plant in Service (114)					12
Accumulated Provision for Amortization of Utility Plant Leased to Others (115)					13
Accumulated Provision for Amortization of Property Held for Future Use (116)					14
Total Accumulated Provision	355,307	0	0	0	
Other Utility Plant Accounts:					
Utility Plant Acquisition Adjustments (117)					15
Accumulated Provision for Amortization of Utility Plant Acquisition Adjustments (118)					16
Other Utility Plant Adjustments (119)					17
Total Other Utility Plant Accounts	0	0	0	0	
Net Utility Plant	1,837,046	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT
ON UTILITY PLANT FINANCED BY UTILITY OPERATION
OR BY THE MUNICIPALITY (ACCT. 111.1)**

Depreciation Accruals (Credits) during the year (111.1):

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 (111.1)	247,040				247,040	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	29,204				29,204	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	345				345	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	29,549	0	0	0	29,549	16
Debits during year						17
Book cost of plant retired	0				0	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	0	0	0	0	0	25
Balance end of year (111.1)	276,589	0	0	0	276,589	26
Footnotes						27

ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 111.2)

Depreciation Accruals (Credits) during the year (111.2):

1. Report the amounts charged in the operating sections to Other Income Deductions (426).
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 (111.2)	147,444				147,444	1
Credits During Year						2
Accruals:						3
Charged Other Income Deductions (426)	7,882				7,882	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
Disposal of assets not fully deprec	147,692				147,692	12
					0	13
					0	14
					0	15
Total credits	155,574	0	0	0	155,574	16
Debits during year						17
Book cost of plant retired	224,300				224,300	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	224,300	0	0	0	224,300	25
Balance end of year (111.2)	78,718	0	0	0	78,718	26
Footnotes						27

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

- | |
|---|
| <ol style="list-style-type: none"> 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	1,517,856	1,278,229	173,603	2,622,482	1
NONE	0			0	2
Total Nonutility Property (121)	1,517,856	1,278,229	173,603	2,622,482	
Less accum. prov. depr. & amort. (122)	711,643	53,393	77,672	687,364	3
Net Nonutility Property	806,213	1,224,836	95,931	1,935,118	

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

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

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel (151)					0	0	1
Fuel stock expenses (152)					0	0	2
Plant mat. & oper. sup. (154)					0	0	3
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility (154)	4,124	5,696	2
Sewer utility (154)		0	3
Heating utility (154)		0	4
Gas utility (154)		0	5
Merchandise (155)		0	6
Other materials & supplies (156)		0	7
Stores expense (163)		0	8
Total Materials and Supplies	4,124	5,696	

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

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

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

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	90,000	1
Changes during year (explain):		
TAX LEVY 2009	30,000	2
Balance end of year	<u><u>120,000</u></u>	

BONDS (ACCT. 221)

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

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
1-REVENUE BONDS-GMAC CREDIT-02	09/26/1972	01/01/2012	5.00%	0	1
2-REVENUE BONDS-GMAC CREDIT-05	12/29/1983	01/01/2018	5.00%	0	2
4-REVENUE BONDS-USDA-06	06/20/1996	06/01/2036	4.87%	107,500	3
3-REVENUE BONDS-USDA-01	06/20/1996	06/01/2036	4.87%	286,200	4
2-REVENUE BONDS-USDA-03	06/20/1996	06/01/2036	4.87%	112,400	5
1-REVENUE BONDS-USDA-05	06/20/1996	06/01/2036	4.87%	140,200	6
Total Bonds (Account 221):				646,300	

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 from Municipality (223)					
NONE	00/00/0000	00/00/0000	0.00%		1
Total for Account 223				0	
Other Long-Term Debt (224)					
PUBLIC LANDS LOAN	01/26/2000	07/12/2029	5.24%	21,139	2
Total for Account 224				21,139	
Notes Payable (231)					
1ST NATIONAL BANK CONSTRUCTION LINE	04/10/2009	04/01/2010	3.18%	1,100,000	3
1ST NATIONAL BANK LINE OF CREDIT	12/21/2009	03/20/2010	5.75%	21,000	4
Total for Account 231				1,121,000	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	1,751	1
Accruals:		
Charged water department expense	2,084	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	2,084	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	2,945	7
PSC Remainder Assessment	173	8
Other (explain):		
NONE		9
Total payments and other debits	3,118	
Balance end of year	717	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 235.

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)					
GMAC CREDIT BONDS	6,625	12,370	18,995	0	1
USDA BONDS	2,629	30,645	30,691	2,583	2
Subtotal	9,254	43,015	49,686	2,583	
Advances from Municipality (223)					
NONE	0			0	3
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
SEWER LAGOON CONSTRUCTION LOAN-USDA	1,716	0	1,716	0	4
PUBLIC LANDS LOAN	1,606	784	1,548	842	5
Subtotal	3,322	784	3,264	842	
Notes Payable (231)					
1ST NATIONAL LINE OF CREDIT	0	828	828	0	6
Subtotal	0	828	828	0	
Total	12,576	44,627	53,778	3,425	

DETAIL OF OTHER BALANCE SHEET ACCOUNTS

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	
Sinking Funds (125):		
USDA RESERVE CD561	17,760	3
USDA RESERVE CD562	24,659	4
Total (Acct. 125):	42,419	
Depreciation Fund (126):		
NONE		5
Total (Acct. 126):	0	
Other Special Funds (128):		
NONE		6
Total (Acct. 128):	0	
Special Deposits (134):		
NONE		7
Total (Acct. 134):	0	
Notes Receivable (141):		
NONE		8
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	5,752	9
Electric		10
Sewer (Regulated)		11
Other (specify):		
NONE		12
Total (Acct. 142):	5,752	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	28,777	13
Merchandising, jobbing and contract work		14
Other (specify):		
CUSTOMER LATERAL CHARGES	16,700	15
GRANT FUNDS RECEIVABLE	1,067,164	16
VENDOR CREDITS	3,444	17
Total (Acct. 143):	1,116,085	
Receivables from Municipality (145):		
TAX LEVY	30,000	18
DELINQUENT ACCOUNTS PUT ON TAX ROLL	31,064	19
Total (Acct. 145):	61,064	

DETAIL OF OTHER BALANCE SHEET ACCOUNTS

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)	
Prepayments (165):		
PREPAID INSURANCE	3,819	20
Total (Acct. 165):	3,819	
Extraordinary Property Losses (182):		
NONE		21
Total (Acct. 182):	0	
Preliminary Survey and Investigation Charges (183):		
NONE		22
Total (Acct. 183):	0	
Clearing Accounts (184):		
NONE		23
Total (Acct. 184):	0	
Temporary Facilities (185):		
NONE		24
Total (Acct. 185):	0	
Miscellaneous Deferred Debits (186):		
WATER TANK REPAIRS	629	25
Total (Acct. 186):	629	
Payables to Municipality (233):		
DUE TO MUNICIPALITY	134,864	26
Total (Acct. 233):	134,864	
Other Deferred Credits (253):		
Regulatory Liability	69,849	27
TAX LEVY PAID IN 2010	30,000	28
SEWER REGULATORY LIABILITY	166,723	29
Total (Acct. 253):	266,572	

DETAIL OF OTHER BALANCE SHEET ACCOUNTS

Detail of Other Balance Sheet Accounts (Page F-22)

Miscellaneous Deferred Debits (Acct 186): amortization requires PSC authorization. Provide date of authorization.
PSC authorized on 11/1/2001

Please explain amounts in Accounts 143, 145 and/or 233 in excess of \$2,000, providing a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Account 233 - Amounts owed to the Town of Phelps for construction costs paid on the Utilities behalf.

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 contributed plant in service, 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 (101.1)	1,076,956	0	0	0	1,076,956	1
Materials and Supplies	4,910	0	0	0	4,910	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (111.1)	261,814	0	0	0	261,814	4
Customer Advances for Construction					0	5
Regulatory Liability	72,343	0	0	0	72,343	6
NONE					0	7
Average Net Rate Base	747,709	0	0	0	747,709	
Net Operating Income	(18,046)	0	0	0	(18,046)	8
Net Operating Income as a percent of						
Average Net Rate Base	-2.41%	N/A	N/A	N/A	-2.41%	

**REGULATORY LIABILITY - PRE-2003 HISTORICAL
ACCUMULATED DEPRECIATION ON CONTRIBUTED UTILITY
PLANT (253)**

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Balance First of Year	74,838	0	0	0	74,838	1
Add credits during year:						
NONE					0	2
Deduct charges:						
Miscellaneous Amortization (425)	4,989	0	0	0	4,989	3
Other (specify):						
NONE					0	4
Balance End of Year	69,849	0	0	0	69,849	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

\$1,100,000 construction line of credit incurred in 2009 for financing of the South 17 main replacement project

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Details of Income Statement Accounts (Page F-02)

If amount of Miscellaneous Debits to Surplus (Acct 435) exceeds \$2,000, please explain fully.

In 2009 the Utility replaced 16,415 feet of Water mains. The Mains were not fully depreciated and this adjustment was necessary to record the loss on early retirement.

Detail of Other Balance Sheet Accounts (Page F-22)

Miscellaneous Deferred Debits (Acct 186): amortization requires PSC authorization. Provide date of authorization.

PSC authorized on 11/1/2001

Please explain amounts in Accounts 143, 145 and/or 233 in excess of \$2,000, providing a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Account 233 - Amounts owed to the Town of Phelps for construction costs paid on the Utilities behalf.

Identification and Ownership - Contacts (Page iv)

General footnotes

ACCOUNTANT'S COMPLIATION REPORT

Board of Commissioners
Phelps Sanitary District No. 1
Phelps, Wisconsin

We have compiled the balance sheet of Phelps Sanitary District as of December 31, 2009 and 2008, and the related income and earned surplus statements for the years then ended included in the accompanying Utility Annual Report in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the Utility Annual Report.

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

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

Wipfli LLP

March 31, 2010
Rhineland, Wisconsin

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	58,365	57,712	1
Total Sales of Water	58,365	57,712	
Other Operating Revenues			
Forfeited Discounts (470)	852	896	2
Rents from Water Property (472)	0	0	3
Interdepartmental Rents (473)	0	0	4
Other Water Revenues (474)	3,920	2,799	5
Total Other Operating Revenues	4,772	3,695	
Total Operating Revenues	63,137	61,407	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	33,170	27,455	6
General Operating Expenses (680-691)	14,788	18,217	7
Total Operation and Maintenance Expenses	47,958	45,672	
Other Operating Expenses			
Depreciation Expense (403)	29,204	20,785	8
Amortization Expense (404-407)	1,937	1,937	9
Taxes (408)	2,084	1,596	10
Total Other Operating Expenses	33,225	24,318	
Total Operating Expenses	81,183	69,990	
NET OPERATING INCOME	(18,046)	(8,583)	

WATER OPERATING REVENUES & EXPENSES

Water Operating Revenues & Expenses (Page W-01)

If there are amounts reported under Amortization Expense (404-407) that apply to a/c 405-407, provide the date of the Commission's approval and a general description of the amortization. If this is for a/c 404, enter 'Acct 404 - N/A.'

Acct 404 -N/A

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 (Account 461).
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 (460.1)				1
Commercial (460.2)				2
Industrial (460.3)				3
Public Authority (460.4)				4
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential (461.1)	173	5,127	28,685	5
Commercial (461.2)	23	3,662	7,783	6
Industrial (461.3)	1	32	237	7
Public Authority (461.4)	9	429	2,658	8
Total Metered Sales to General Customers (461)	206	9,250	39,363	
Private Fire Protection Service (462)				9
Public Fire Protection Service (463)	1		19,002	10
Other Water Sales (465)				11
Sales for Resale (466)		0	0	12
Interdepartmental Sales (467)				13
Total Sales of Water	207	9,250	58,365	

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)	
N/A	N/A			1
Total		<u><u>0</u></u>	<u><u>0</u></u>	

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 for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		1
Other (specify):		
Wholesale fire protection billed		2
Amount billed (usually per rate schedule F-1 or Fd-1)	19,002	3
NONE		4
Total Public Fire Protection Service (463)	19,002	
Forfeited Discounts (470):		
NONE		5
Customer late payment charges	852	6
Other (specify):		
Total Forfeited Discounts (470)	852	
Rents from Water Property (472):		
NONE		7
Total Rents from Water Property (472)	0	
Interdepartmental Rents (473):		
NONE		8
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
CELLULAR ONE TOWER RENTAL	3,369	9
Return on net investment in meters charged to sewer department	551	10
Other (specify):		
Total Other Water Revenues (474)	3,920	

OTHER OPERATING REVENUES (WATER)

Other Operating Revenues (Water) (Page W-04)

Please explain amounts in Account 474 in excess of \$2,000, including like items grouped. Please provide, for example, a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Income from Cellular One Tower Rental Income 3,369

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)	This Year (b)	Last Year (c)	
PLANT OPERATION AND MAINTENANCE EXPENSES			
Salaries and Wages (600)	16,844	15,638	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	5,188	4,409	3
Chemicals (630)	1,651	1,224	4
Supplies and Expenses (640)	7,246	2,910	5
Repairs of Water Plant (650)	1,308	1,800	6
Transportation Expenses (660)	933	1,474	7
Total Plant Operation and Maintenance Expenses	33,170	27,455	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	2,742	5,784	8
Office Supplies and Expenses (681)	1,877	2,769	9
Outside Services Employed (682)	6,187	3,692	10
Insurance Expense (684)	2,462	2,923	11
Employees Pensions and Benefits (686)	1,420	2,927	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	100	122	14
Uncollectible Accounts (690)		0	15
Customer Service and Informational Expenses (691)		0	16
Total General Operating Expenses	14,788	18,217	
Total Operation and Maintenance Expenses	47,958	45,672	

WATER OPERATION & MAINTENANCE EXPENSES

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

Account 640 - Supplies and Expenses - This expense increased in 2009 due to incidental costs that occurred related to the main project.

Account 680 - Administrative and General Salaries - This expense decreased in 2009 due to the operator retiring. The Utility subcontracted the position for a portion of the year before hiring another operator.

Account 682 - Outside Services Employed - This expense increased in 2009 due to the hiring of a subcontractor to fill the operator vacancy until a full time replacement could be found.

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)	This Year (c)	Last Year (d)	
Property Tax Equivalent		0	0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		0	0	2
Net property tax equivalent		0	0	
Social Security		1,911	1,422	3
PSC Remainder Assessment		173	174	4
Other (specify): NONE			0	5
Total tax expense		2,084	1,596	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) 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. If applicable, provide construction authorization.
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)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT						
Organization (301)	0				0	1
Franchises and Consents (302)	0				0	2
Miscellaneous Intangible Plant (303)	0				0	3
Total Intangible Plant	0	0	0	0	0	
SOURCE OF SUPPLY PLANT						
Land and Land Rights (310)	4,399				4,399	4
Structures and Improvements (311)	148,034				148,034	5
Collecting and Impounding Reservoirs (312)	0				0	6
Lake, River and Other Intakes (313)	0				0	7
Wells and Springs (314)	141,002				141,002	8
Supply Mains (316)	17,778				17,778	9
Other Water Source Plant (317)	0				0	10
Total Source of Supply Plant	311,213	0	0	0	311,213	
PUMPING PLANT						
Land and Land Rights (320)	0				0	11
Structures and Improvements (321)	12,968				12,968	12
Other Power Production Equipment (323)	0				0	13
Electric Pumping Equipment (325)	123,733				123,733	14
Diesel Pumping Equipment (326)	0				0	15
Other Pumping Equipment (328)	4,359				4,359	16
Total Pumping Plant	141,060	0	0	0	141,060	
WATER TREATMENT PLANT						
Land and Land Rights (330)	0				0	17
Structures and Improvements (331)	0				0	18
Sand or Other Media Filtration Equipment (332)	26,690				26,690	19
Membrane Filtration Equipment (333)	0				0	20
Other Water Treatment Equipment (334)	0				0	21
Total Water Treatment Plant	26,690	0	0	0	26,690	
TRANSMISSION AND DISTRIBUTION PLANT						
Land and Land Rights (340)	436				436	22
Structures and Improvements (341)	0				0	23
Distribution Reservoirs and Standpipes (342)	24,963				24,963	24
Transmission and Distribution Mains (343)	19,246	716,082			735,328	25
Services (345)	2,973	156,006			158,979	26
Meters (346)	13,296	433			13,729	27
Hydrants (348)	1,632	122,911			124,543	28

WATER UTILITY PLANT IN SERVICE --Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) 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. If applicable, provide construction authorization.
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)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT						
Other Transmission and Distribution Plant (349)	0				0	29
Total Transmission and Distribution Plant	62,546	995,432	0	0	1,057,978	
GENERAL PLANT						
Land and Land Rights (389)	0				0	30
Structures and Improvements (390)	10,556				10,556	31
Office Furniture and Equipment (391)	132				132	32
Computer Equipment (391.1)	4,027				4,027	33
Transportation Equipment (392)	17,748				17,748	34
Stores Equipment (393)	0				0	35
Tools, Shop and Garage Equipment (394)	0				0	36
Laboratory Equipment (395)	0				0	37
Power Operated Equipment (396)	0				0	38
Communication Equipment (397)	0				0	39
SCADA Equipment (397.1)	0				0	40
Miscellaneous Equipment (398)	5,268				5,268	41
Total General Plant	37,731	0	0	0	37,731	
Total utility plant in service directly assignable	579,240	995,432	0	0	1,574,672	
Common Utility Plant Allocated to Water Department (300)	0				0	42
Total utility plant in service	579,240	995,432	0	0	1,574,672	

WATER UTILITY PLANT IN SERVICE --Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) 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. If applicable, provide construction authorization.
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)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT						
Organization (301)	0				0	1
Franchises and Consents (302)	0				0	2
Miscellaneous Intangible Plant (303)	0				0	3
Total Intangible Plant	0	0	0	0	0	
SOURCE OF SUPPLY PLANT						
Land and Land Rights (310)	0				0	4
Structures and Improvements (311)	0				0	5
Collecting and Impounding Reservoirs (312)	0				0	6
Lake, River and Other Intakes (313)	0				0	7
Wells and Springs (314)	0				0	8
Supply Mains (316)	0				0	9
Other Water Source Plant (317)	0				0	10
Total Source of Supply Plant	0	0	0	0	0	
PUMPING PLANT						
Land and Land Rights (320)	0				0	11
Structures and Improvements (321)	0				0	12
Other Power Production Equipment (323)	0				0	13
Electric Pumping Equipment (325)	0				0	14
Diesel Pumping Equipment (326)	0				0	15
Other Pumping Equipment (328)	0				0	16
Total Pumping Plant	0	0	0	0	0	
WATER TREATMENT PLANT						
Land and Land Rights (330)	0				0	17
Structures and Improvements (331)	0				0	18
Sand or Other Media Filtration Equipment (332)	0				0	19
Membrane Filtration Equipment (333)	0				0	20
Other Water Treatment Equipment (334)	0				0	21
Total Water Treatment Plant	0	0	0	0	0	
TRANSMISSION AND DISTRIBUTION PLANT						
Land and Land Rights (340)	0				0	22
Structures and Improvements (341)	0				0	23
Distribution Reservoirs and Standpipes (342)	0				0	24
Transmission and Distribution Mains (343)	504,961	165,654	188,032		482,583	25
Services (345)	51,147	44,343	20,889		74,601	26
Meters (346)	0				0	27
Hydrants (348)	47,443	28,433	15,379		60,497	28

WATER UTILITY PLANT IN SERVICE --Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) 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. If applicable, provide construction authorization.
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)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT						
Other Transmission and Distribution Plant (349)	0				0	29
Total Transmission and Distribution Plant	603,551	238,430	224,300	0	617,681	
GENERAL PLANT						
Land and Land Rights (389)	0				0	30
Structures and Improvements (390)	0				0	31
Office Furniture and Equipment (391)	0				0	32
Computer Equipment (391.1)	0				0	33
Transportation Equipment (392)	0				0	34
Stores Equipment (393)	0				0	35
Tools, Shop and Garage Equipment (394)	0				0	36
Laboratory Equipment (395)	0				0	37
Power Operated Equipment (396)	0				0	38
Communication Equipment (397)	0				0	39
SCADA Equipment (397.1)	0				0	40
Miscellaneous Equipment (398)	0				0	41
Total General Plant	0	0	0	0	0	
Total utility plant in service directly assignable	603,551	238,430	224,300	0	617,681	
Common Utility Plant Allocated to Water Department (300)	0				0	42
Total utility plant in service	603,551	238,430	224,300	0	617,681	

SOURCES OF WATER SUPPLY - STATISTICS

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

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			1,130	1,130	1
February			977	977	2
March			949	949	3
April			986	986	4
May			1,299	1,299	5
June			1,963	1,963	6
July			1,717	1,717	7
August			1,782	1,782	8
September			1,622	1,622	9
October			908	908	10
November			845	845	11
December			825	825	12
Total annual pumpage	0	0	15,003	15,003	

WATER LOSS AND OTHER STATISTICS

1. For Gallons used in the treatment process (line 3), estimate water used in production including filter backwash, pumps, and other utility uses before the point of entry to the distribution system.
2. For Gallons used for other system uses (line 10), report other unmetered water used for system operation and maintenance, water used for non-regulated sewer utility and all other unmetered usage that is known to occur and does not fall into one of the other categories listed under Water Usage.

WATER LOSS STATISTICS

Source of Water Supply Statistics - Total Annual Pumpage (000's):	15,003	1
Less: Gallons (000's) used in the treatment process:		2
Subtotal: Gallons (000's) entering distribution system:	15,003	3
Less: Gallons (000's) sold:	9,250	4
Gallons (000's) entering distribution system but not sold:	5,753	5
Estimated Water Usage:		6
Gallons (000's) used to flush mains:	1,200	7
Gallons (000's) used for fire protection:	60	8
Gallons (000's) used to prevent freezing of distribution system:	560	9
Gallons (000's) used for other system uses:		10
Subtotal Estimated Usage:	1,820	11
Estimated Water Losses:		12
Gallons (000's) lost due to main leaks or breaks:	500	13
Gallons (000's) lost due to service leaks or breaks:	200	14
Gallons (000's) lost due to hydrant leaks, tank overflows and pressure reducing valves:	210	15
Gallons (000's) for unauthorized usage such as vandalism and theft:		16
Gallons (000's) not accounted for:	3,023	17
Subtotal of Estimated Losses:	3,933	18
Percentage of water entering distribution system sold:	62%	19
Percentage of unaccounted for water:	20%	20
If more than 25%, indicate causes:		21

If more than 25%, state what action has been taken to reduce water loss:

OTHER STATISTICS

Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)	134	22
Date of maximum: 09/03/2009		23
Cause of maximum: Water main break on Hill Road during road construction where A-1 was installing the new main next to the old main		24
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)	0	25
Date of minimum: 04/13/2009		26
Total KWH used by the utility (include pumping, treatment facilities and other utility operations):	76,568	27
If water is purchased:		28
Vendor Name:		29
Point of Delivery:		30
What percentage of purchased water is surface water?		31
Number of main breaks repaired this year:	1	32
Number of service breaks repaired this year:		33
Population served (estimate the number of individuals served):		34
Inside municipality?	212	35
Outside municipality?		36

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)	
TOWN WELL NO. 1	.001	55	10	432,000	Yes	1
TOWN WELL NO. 2	.002	75	10	518,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes				1
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)	
N/A	n/a	0	0	0	1

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	.001	.002		1
Location	2513 HIGHWAY 17	4320 DEERSKIN RD.		2
Purpose	P	P		3
Destination	D	D		4
Pump Manufacturer	BERKLEY	GOULDS		5
Year Installed	1972	1996		6
Type	OTHER	OTHER		7
Actual Capacity (gpm)	300	400		8
Pump Motor or Standby Engine Mfr	HOLLOWSHAFT	US ELECTRIC MOTORS		9 10
Year Installed	1972	1996		11
Type	ELECTRIC	ELECTRIC		12
Horsepower	25	30		13
Footnotes				14

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				15
Location				16
Purpose				17
Destination				18
Pump Manufacturer				19
Year Installed				20
Type				21
Actual Capacity (gpm)				22
Pump Motor or Standby Engine Mfr				23 24
Year Installed				25
Type				26
Horsepower				27
Footnotes				28

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	ET		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.)	154		6
Total capacity in gallons (actual)	60,000		7
			8
WATER TREATMENT PLANT			9
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		10
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		11
Filters, type (gravity, pressure, other, none)	NONE		12
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.0000		13
Is a corrosion control chemical used (yes, no)?	Y		14
Is water fluoridated (yes, no)?	N		15
			16
Footnotes			17
			18
			19
			20
			21
			22
			23
			24
			25
			26
			27
			28

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.

Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	Number of Feet			Adjustments Increase or (Decrease) (g)	End of Year (h)	
			First of Year (d)	Added During Year (e)	Retired During Year (f)			
M	D	1.000	100				100	1
A	D	6.000	5,665		4,713		952	2
M	D	6.000	3,285				3,285	3
P	D	6.000	6,877				6,877	4
A	D	8.000	7,035		2,288		4,747	5
M	D	8.000	420		420		0	6
P	D	8.000	6,044	4,626			10,670	7
P	S	8.000	254				254	8
A	D	10.000	7,540		7,540		0	9
A	S	10.000	87		72		15	10
P	D	12.000	0	16,580			16,580	11
Total Within Municipality			37,307	21,206	15,033	0	43,480	
Total Utility			37,307	21,206	15,033	0	43,480	

WATER MAINS

Water Mains (Page W-19)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

Mains added in 2009 were financed with interim construction loan. In 2010, this loan was repaid with proceeds from RUS loans and grants.

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	174		78		96	25	1
M	1.000	34	96		(7)	123	1	2
P	1.000	18				18	5	3
M	1.500				7	7		* 4
M	2.000	2	3	2		3	2	* 5
Total Utility		228	99	80	0	247	33	

WATER SERVICES

Water Services (Page W-20)

Explain all reported Adjustments.

The adjustment for the 1.5 service is to properly record the services to actual at the end of 2009. The Utility had 7 1.5 services at the beginning of the year and replaced them during 2009. The software will not allow retirement of 7 services when the beginning number is zero, so an adjustment to end of year totals was done through adjustments. These services were incorrectly included in the total for 1.0 services. An adjustment was done to correct the 1.0 services by the 7 services also.

If net additions are greater than zero, please explain financing by following criteria listed in schedule headnote No. 3.

Services added in 2009 were financed with an interim construction loan. In 2010, this loan was repaid with proceeds from RUS loans and grants.

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.
6. Do not include station meters in the meter inventory used to complete these tables.

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	190	55		12	257	16	1
0.750	5			(4)	1	0	2
1.000	7			(2)	5	0	3
1.500	3			(1)	2	0	4
2.000	3			(1)	2	0	5
3.000	2				2	0	6
8.000	2			(2)	0	0	7
Total:	212	55	0	2	269	16	

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	182	14	0	6	0	55	257	1
0.750	0	0	0	0	0	1	1	2
1.000	2	1	1	0	0	1	5	3
1.500	0	1	0	1	0	0	2	4
2.000	0	1	0	0	0	1	2	5
3.000	0	1	0	1	0	0	2	6
8.000	0	0	0	0	0	0	0	7
Total:	184	18	1	8	0	58	269	

METERS

Meters (Page W-21)

Explain all reported adjustments.

Adjustments to the meter schedule were necessary to correct the totals to the Utilities physical count.

Ss. PSC 185.83(2) states "Station meters shall be maintained to ensure reasonable accuracy and shall have the accuracy checked at least once every 2 years." Are all station meters being tested every two years? Answer yes or no. If no, please explain.

Yes

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	60	40	26		74	2
Total Fire Hydrants	60	40	26	0	74	
Flushing Hydrants						
	2				2	3
Total Flushing Hydrants	2	0	0	0	2	

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:	52
Number of distribution system valves end of year:	92
Number of distribution valves operated during year:	74

WATER OPERATING SECTION FOOTNOTES

Water Operating Revenues & Expenses (Page W-01)

If there are amounts reported under Amortization Expense (404-407) that apply to a/c 405-407, provide the date of the Commission's approval and a general description of the amortization. If this is for a/c 404, enter 'Acct 404 - N/A.'

Acct 404 -N/A

Other Operating Revenues (Water) (Page W-04)

Please explain amounts in Account 474 in excess of \$2,000, including like items grouped. Please provide, for example, a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Income from Cellular One Tower Rental Income 3,369

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

Account 640 - Supplies and Expenses - This expense increased in 2009 due to incidental costs that occurred related to the main project.

Account 680 - Administrative and General Salaries - This expense decreased in 2009 due to the operator retiring. The Utility subcontracted the position for a portion of the year before hiring another operator.

Account 682 - Outside Services Employed - This expense increased in 2009 due to the hiring of a subcontractor to fill the operator vacancy until a full time replacement could be found.

Water Mains (Page W-19)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

Mains added in 2009 were financed with interim construction loan. In 2010, this loan was repaid with proceeds from RUS loans and grants.

Water Services (Page W-20)

Explain all reported Adjustments.

The adjustment for the 1.5 service is to properly record the services to actual at the end of 2009. The Utility had 7 1.5 services at the beginning of the year and replaced them during 2009. The software will not allow retirement of 7 services when the beginning number is zero, so an adjustment to end of year totals was done through adjustments. These services were incorrectly included in the total for 1.0 services. An adjustment was done to correct the 1.0 services by the 7 services also.

If net additions are greater than zero, please explain financing by following criteria listed in schedule headnote No. 3.

Services added in 2009 were financed with an interim construction loan. In 2010, this loan was repaid with proceeds from RUS loans and grants.

WATER OPERATING SECTION FOOTNOTES

Meters (Page W-21)

Explain all reported adjustments.

Adjustments to the meter schedule were necessary to correct the totals to the Utilities physical count.

Ss. PSC 185.83(2) states "Station meters shall be maintained to ensure reasonable accuracy and shall have the accuracy checked at least once every 2 years." Are all station meters being tested every two years? Answer yes or no. If no, please explain.

Yes
