



3015 (02-09-04)

ANNUAL REPORT

OF

Name: ELCHO SANITARY DISTRICT NO. 1

Principal Office: P.O. BOX 86
ELCHO, WI 54428

For the Year Ended: DECEMBER 31, 2002

**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.

TABLE OF CONTENTS

Schedule Name	Page
General Rules for Reporting	i
Signature Page	ii
Table of Contents	iii
Identification and Ownership	iv
FINANCIAL SECTION	
Income Statement	F-01
Income Statement Account Details	F-02
Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)	F-03
Revenues Subject to Wisconsin Remainder Assessment	F-04
Balance Sheet	F-05
Net Utility Plant	F-06
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110)	F-07
Net Nonutility Property (Accts. 121 & 122)	F-08
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-09
Materials and Supplies	F-10
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-11
Capital Paid in by Municipality (Acct. 200)	F-12
Bonds (Acct. 221)	F-13
Notes Payable & Miscellaneous Long-Term Debt	F-14
Taxes Accrued (Acct. 236)	F-15
Interest Accrued (Acct. 237)	F-16
Contributions in Aid of Construction (Account 271)	F-17
Balance Sheet End-of-Year Account Balances	F-18
Return on Rate Base Computation	F-19
Return on Proprietary Capital Computation	F-20
Important Changes During the Year	F-21
Financial Section Footnotes	F-22
WATER OPERATING SECTION	
Water Operating Revenues & Expenses	W-01
Water Operating Revenues - Sales of Water	W-02
Sales for Resale (Acct. 466)	W-03
Other Operating Revenues (Water)	W-04
Water Operation & Maintenance Expenses	W-05
Taxes (Acct. 408 - Water)	W-06
Water Utility Plant in Service	W-08
Source of Supply, Pumping and Purchased Water Statistics	W-10
Sources of Water Supply - Ground Waters	W-11
Sources of Water Supply - Surface Waters	W-12
Pumping & Power Equipment	W-13
Reservoirs, Standpipes & Water Treatment	W-14
Water Mains	W-15
Water Services	W-16
Meters	W-17
Hydrants and Distribution System Valves	W-18
Water Operating Section Footnotes	W-19

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: ELCHO SANITARY DISTRICT NO. 1

Utility Address: P.O. BOX 86
ELCHO, WI 54428

When was utility organized? 12/8/1967

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MR. COLIN HANDEYSIDE

Title: PRESIDENT

Office Address:

N11394 LAGOON LANE
P.O. BOX 86
ELCHO, WI 54428

Telephone: (715) 275 - 3998

Fax Number: (715) 275 - 3998

E-mail Address:

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

Name: KAREN KERBER

Title: CPA

Office Address: KERBER, ROSE & ASSOCIATES, S.C.

115 E. FIFTH STREET
SHAWANO, WI 54166

Telephone: (715) 526 - 9400

Fax Number: (715) 524 - 2599

E-mail Address: kkerber@kerberrose.com

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

Name: MR. COLIN HANDEYSIDE

Title: PRESIDENT

Office Address:

N11394 LAGOON LANE
P.O. BOX 86
ELCHO, WI 54428

Telephone: (715) 275 - 3998

Fax Number: (715) 275 - 3998

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: KAREN KERBER

Title: CPA

Office Address: KERBER, ROSE & ASSOCIATES, S.C.
115 E. FIFTH STREET
SHAWANO, WI 54166

Telephone: (715) 526 - 9400

Fax Number: (715) 524 - 2599

E-mail Address: kkerber@kerberrose.com

Date of most recent audit report: 2/6/2003

Period covered by most recent audit: 01/01/02 THROUGH 12/31/02

Names and titles of utility management including manager or superintendent:

Name: MR. RYAN SIEMERS

Title: OPERATOR/VICE PRESIDENT

Office Address:

N11394 LAGOON LANE
P.O. BOX 86
ELCHO, WI 54428

Telephone: (715) 275 - 3998

Fax Number: (715) 275 - 3998

E-mail Address:

Name: MR. COLIN HANDEYSIDE

Title: PRESIDENT

Office Address:

N11394 LAGOON LANE
P.O. BOX 86
ELCHO, WI 54428

Telephone: (715) 275 - 3998

Fax Number: (715) 275 - 3998

E-mail Address:

Name: MR. GARY JOHNSON

Title: SECRETARY/TREASURER

Office Address:

N11394 LAGOON LANE
P.O. BOX 86
ELCHO, WI 54428

Telephone: (715) 275 - 3998

Fax Number: (715) 275 - 3998

E-mail Address:

Name of utility commission/committee: ELCHO SANITARY DISTRICT #1

Names of members of utility commission/committee:

MR COLIN HANDEYSIDE, PRESIDENT
MR GARY JOHNSON, SECRETARY/TREASURER

IDENTIFICATION AND OWNERSHIP

Is sewer service rendered by the utility?

If "yes," has the municipality by ordinance, resolution or other means 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:

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)	50,398	50,491	1
Operating Expenses:			
Operation and Maintenance Expense (401)	34,681	29,069	2
Depreciation Expense (403)	14,801	14,200	3
Amortization Expense (404)	0	0	4
Taxes (408)	5,283	1,204	5
Total Operating Expenses	54,765	44,473	
Net Operating Income	(4,367)	6,018	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(4,367)	6,018	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	4,633	1,568	9
Miscellaneous Nonoperating Income (421)	15,513	37,490	10
Total Other Income	20,146	39,058	
Total Income	15,779	45,076	
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	15,779	45,076	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	19,100	16,330	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	1,265	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	20,365	16,330	
Net Income	(4,586)	28,746	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	51,656	21,153	19
Balance Transferred from Income (433)	(4,586)	28,746	20
Miscellaneous Credits to Surplus (434)	0	1,757	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)	47,070	51,656	

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):		
INTEREST ON SAVINGS, CHECKING, AND CD	4,633	4
Total (Acct. 419):	4,633	
Miscellaneous Nonoperating Income (421):		
NONREGULATED SEWER	15,513	5
Total (Acct. 421):	15,513	
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):						
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	50,398	0	0	0	50,398	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:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	50,398	0	0	0	50,398	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	575,047	568,706	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	210,130	195,020	2
Net Utility Plant	364,917	373,686	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	3,115,020	3,105,201	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	396,424	294,382	4
Net Nonutility Property	2,718,596	2,810,819	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	63,117	40,461	7
Total Other Property and Investments	2,781,713	2,851,280	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	23,069	25,273	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	5,309	5,734	11
Other Accounts Receivable (143)	17,747	16,547	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	29,400	11,780	14
Materials and Supplies (150)	6,871	7,075	15
Prepayments (165)	4,756	3,883	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	87,152	70,292	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	3,233,782	3,295,258	

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)	600	600	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	47,070	51,656	23
Total Proprietary Capital	47,670	52,256	
LONG-TERM DEBT			
Bonds (221)	0	50,000	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	1,317,791	1,347,702	26
Total Long-Term Debt	1,317,791	1,397,702	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	5,456	5,563	28
Payables to Municipality (233)	73,740	73,740	29
Customer Deposits (235)			30
Taxes Accrued (236)	6,934	(75)	31
Interest Accrued (237)	2,049	2,208	32
Other Current and Accrued Liabilities (238)	2,349		33
Total Current and Accrued Liabilities	90,528	81,436	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	1,777,793	1,763,864	38
Total Liabilities and Other Credits	3,233,782	3,295,258	

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)	575,047	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	575,047	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	210,130	0	0	0	9
Total Accumulated Provision	210,130	0	0	0	
Net Utility Plant	364,917	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	195,020				195,020	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	14,801				14,801	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	309				309	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	15,110	0	0	0	15,110	13
Debits during year						14
Book cost of plant retired	0				0	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	0	0	0	0	0	19
Balance End of Year	210,130	0	0	0	210,130	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	3,105,201	9,819		3,115,020	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	3,105,201	9,819	0	3,115,020	
Less accum. prov. depr. & amort. (122)	294,382	102,042		396,424	3
Net Nonutility Property	2,810,819	(92,223)	0	2,718,596	

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

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

MATERIALS AND SUPPLIES

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

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility	3,436	3,538 2
Sewer utility	3,435	3,537 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	6,871	7,075

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

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

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

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	600	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>600</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)
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NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
NORTHWOODS STATE BANK	02/04/1998	02/02/2013	6.00%	0	1
NORTHWOODS STATE BANK	06/22/1998	02/03/2004	5.00%	0	2
NORTHWOODS STATE BANK	01/24/2002	01/24/2005	4.00%	109,324	3
CLEAN WATER FUND	12/21/1998	05/02/2018	0.82%	1,208,467	4
Total for Account 224				1,317,791	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	(75)	1
Accruals:		
Charged water department expense	5,475	2
Charged electric department expense		3
Charged sewer department expense	5,475	4
Other (explain):		
NONE		5
Total Accruals and other credits	10,950	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	3,890	7
PSC Remainder Assessment	51	8
Other (explain):		
NONE		9
Total payments and other debits	3,941	
Balance end of year	6,934	

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)					
FMHA	307	(175)	132	0	1
Subtotal	307	(175)	132	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NORTHWOODS STATE BANK	169	9,084	8,889	364	3
CLEAN WATER FUND	1,732	10,191	10,238	1,685	4
Subtotal	1,901	19,275	19,127	2,049	
Notes Payable (231)					
INTEREST ON FICA LATE PAYMENTS	0	1,265	1,265	0	5
Subtotal	0	1,265	1,265	0	
Total	2,208	20,365	20,524	2,049	

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	160,968	0	0	1,602,896	0	1,763,864	1
Add credits during year:							
For Services	750			750		1,500	2
For Mains						0	3
Other (specify):							
MISC. INTANGIBLE PLANT	3,747			8,682		12,429	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	165,465	0	0	1,612,328	0	1,777,793	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
W & S REPLACEMENT FUND	6,135	3
CWF LOAN REPAYMENT ACCOUNT	56,982	4
Total (Acct. 125):	63,117	
Notes Receivable (141):		
NONE		5
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	5,309	6
Electric		7
Sewer (Regulated)		8
Other (specify):		
NONE		9
Total (Acct. 142):	5,309	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	17,747	10
Merchandising, jobbing and contract work		11
Other (specify):		
NONE		12
Total (Acct. 143):	17,747	
Receivables from Municipality (145):		
DELINQUENT ACCOUNTS & CONTRACT AMT FOR SEWER HAULING	29,400	13
Total (Acct. 145):	29,400	
Prepayments (165):		
PREPAID INSURANCE	4,259	14
PREPAID COMPUTER SUPPORT	497	15
Total (Acct. 165):	4,756	
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):		
LOAN TO MEET CWF PAYMENT REQUIREMENTS	73,740	18
Total (Acct. 233):	73,740	
Other Deferred Credits (253):		
NONE		19
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

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

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	571,876	0	0	0	571,876	1
Materials and Supplies	3,487	0	0	0	3,487	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	202,575	0	0	0	202,575	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	163,216	0	0	0	163,216	6
Other (specify):						
NONE					0	7
Average Net Rate Base	209,572	0	0	0	209,572	
Net Operating Income	(4,367)	0	0	0	(4,367)	8
Net Operating Income as a percent of Average Net Rate Base						
	-2.08%	N/A	N/A	N/A	-2.08%	

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	600	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	49,363	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	49,963	
Net Income		
Net Income	(4,586)	5
Percent Return on Proprietary Capital	-9.18%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Materials and Supplies (Page F-10)

Changed last years numbers - they were never separated between water and sewer. The total amount was entered under water last year.

Interest Accrued (Acct. 237) (Page F-16)

Bonds (221): There is a negative number in the Interest Accrued During the Year due to the loan being paid off during 2002. There needed to be an adjustment to actual.

Notes Payable (231): The amount shown here is for interest paid on late payments for payroll taxes, from previous years.

Signature Page (Page ii)

ACCOUNTANTS' COMPILATION REPORT

Members of the Commission
Elcho Sanitary District #1
Elcho, Wisconsin

We have compiled the financial information in the accompanying Municipal Utility Annual Report (prescribed form) of the Elcho Sanitary District #1 as of December 31, 2002, and for the year then ended 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 Municipal Utility Annual Report.

Our compilation is 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, do not express an opinion or any other form of assurance on them. This financial information was compiled by us from financial statements for the same period that we previously audited, as indicated in our report February 6, 2003.

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

KERBER, ROSE & ASSOCIATES, S.C.
March 31, 2003

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

good filer

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	47,268	1
Total Sales of Water	47,268	
Other Operating Revenues		
Forfeited Discounts (470)	2,833	2
Other Water Revenues (474)	297	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	3,130	
Total Operating Revenues	50,398	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	14,106	5
General Operating Expenses (680-690)	20,575	6
Total Operation and Maintenance Expenses	34,681	
Other Operating Expenses		
Depreciation Expense (403)	14,801	7
Amortization Expense (404)		8
Taxes (408)	5,283	9
Total Other Operating Expenses	20,084	
Total Operating Expenses	54,765	
NET OPERATING INCOME	(4,367)	

WATER OPERATING REVENUES - SALES OF WATER

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

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	166	4,933	18,290	4
Commercial	28	2,427	5,918	5
Industrial	4	43	242	6
Total Metered Sales to General Customers (461)	198	7,403	24,450	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		19,817	8
Other Sales to Public Authorities (464)	7	1,287	3,001	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	206	8,690	47,268	

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)	19,817	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)	19,817	
Forfeited Discounts (470):		
Customer late payment charges	690	5
Other (specify): OTHER WATER REVENUE	2,143	6
Total Forfeited Discounts (470)	2,833	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	297	7
Other (specify): NONE		8
Total Other Water Revenues (474)	297	
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)	6,340	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	1,411	3
Chemicals (630)	664	4
Supplies and Expenses (640)	2,127	5
Repairs of Water Plant (650)	3,503	6
Transportation Expenses (660)	61	7
Total Plant Operation and Maintenance Expenses	14,106	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	6,512	8
Office Supplies and Expenses (681)	3,553	9
Outside Services Employed (682)	5,441	10
Insurance Expense (684)	2,894	11
Employees Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)	51	13
Miscellaneous General Expenses (689)	2,124	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	20,575	
Total Operation and Maintenance Expenses	34,681	

TAXES (ACCT. 408 - WATER)

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

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent			1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security		1,982	3
PSC Remainder Assessment		51	4
Other (specify): UNEMPLOYMENT		3,250	5
Total tax expense		5,283	

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)	800		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0	3,747	3
Total Intangible Plant	800	3,747	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	54,998		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)	129,513		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	184,511	0	
PUMPING PLANT			
Land and Land Rights (320)	600		12
Structures and Improvements (321)	66,180		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	21,496		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	2,920		20
Total Pumping Plant	91,196	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	639		23
Total Water Treatment Plant	639	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			800	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			3,747	3
Total Intangible Plant	0	0	4,547	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			54,998	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)			129,513	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	184,511	
PUMPING PLANT				
Land and Land Rights (320)			600	12
Structures and Improvements (321)			66,180	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			21,496	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			2,920	20
Total Pumping Plant	0	0	91,196	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			639	23
Total Water Treatment Plant	0	0	639	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			0	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	48,408		26
Transmission and Distribution Mains (343)	156,623		27
Fire Mains (344)	0		28
Services (345)	28,152	750	29
Meters (346)	12,078	374	30
Hydrants (348)	12,851		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	258,112	1,124	
GENERAL PLANT			
Land and Land Rights (370)	865		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	2,859		35
Computer Equipment (372.1)	21,389	1,470	36
Transportation Equipment (373)	3,562		37
Other General Equipment (379)	4,773		38
Other Tangible Property (390)	0		39
Total General Plant	33,448	1,470	
Total utility plant in service directly assignable	568,706	6,341	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	568,706	6,341	

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)			48,408 26
Transmission and Distribution Mains (343)			156,623 27
Fire Mains (344)			0 28
Services (345)			28,902 29
Meters (346)			12,452 30
Hydrants (348)			12,851 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	259,236
GENERAL PLANT			
Land and Land Rights (370)			865 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			2,859 35
Computer Equipment (372.1)			22,859 36
Transportation Equipment (373)			3,562 37
Other General Equipment (379)			4,773 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	34,918
Total utility plant in service directly assignable	0	0	575,047
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	575,047

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

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

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			2,096	2,096	1
February			1,579	1,579	2
March			1,651	1,651	3
April			1,534	1,534	4
May			1,670	1,670	5
June			1,165	1,165	6
July			1,191	1,191	7
August			1,119	1,119	8
September			1,137	1,137	9
October			1,029	1,029	10
November			1,153	1,153	11
December			1,076	1,076	12
Total annual pumpage	0	0	16,400	16,400	
Less: Water sold				8,690	13
Volume pumped but not sold				7,710	14
Volume sold as a percent of volume pumped				53%	15
Volume used for water production, water quality and system maintenance				6,680	16
Volume related to equipment/system malfunction				0	17
Non-utility volume NOT included in water sales				609	18
Total volume not sold but accounted for				7,289	19
Volume pumped but unaccounted for				421	20
Percent of water lost				3%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				1,140	23
Date of maximum: 11/1/2002					24
Cause of maximum:					25
Refill Tower and Reservoir after cleaning.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				0	26
Date of minimum: 12/2/2002					27
Total KWH used for pumping for the year				13,588	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)
-------------------------	--	----------------------------------	--	---	--

NONE

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	DEEP WELL #2	DEEP WELL #3	RESERVOIR	1
Location	1	1	1	2
Purpose	S	P	B	3
Destination	D	D	R	4
Pump Manufacturer	GOULD	SIMMONS	LAYNE NW	5
Year Installed	1985	1991	1970	6
Type	SUBMERSIBLE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	150	300	300	8
Pump Motor or Standby Engine Mfr	FRANKLIN	US ELECT	US ELECT	9 10
Year Installed	1985	1991	1970	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	5	20	15	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	RESERVOIR STANDBY			14
Location	1			15
Purpose	S			16
Destination	R			17
Pump Manufacturer	CONTINENTAL			18
Year Installed	1970			19
Type	VERTICAL TURBINE			20
Actual Capacity (gpm)	300			21
Pump Motor or Standby Engine Mfr	CONTINENTAL			22 23
Year Installed	1970			24
Type	ELECTRIC			25
Horsepower	15			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	1#	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	S	R	3
Year constructed	1971	1970	4
Primary material (earthen, steel, concrete, other)	STEEL	CONCRETE	5
Elevation difference in feet (See Headnote 3.)	0	0	6
Total capacity in gallons (actual)	190,000	110,000	7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)		OTHER	9
Points of application (wellhouse, central facilities, booster station, other)		OTHER	10
Filters, type (gravity, pressure, other, none)		OTHER	11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)		1.0000	12
Is a corrosion control chemical used (yes, no)?		Y	13
Is water fluoridated (yes, no)?		N	14

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
A	D	2.000	1,792	0	0	0	1,792	1
A	D	4.000	172	0	0	0	172	2
A	D	6.000	19,340	0	0	0	19,340	3
P	D	6.000	470	0	0	0	470	4
A	D	8.000	2,159	0	0	0	2,159	5
Total Within Municipality			23,933	0	0	0	23,933	
Total Utility			23,933	0	0	0	23,933	

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	202	1	0	(6)	197		1
M	1.000	0	1	0	2	3		2
M	1.250	2	0	0	0	2		3
M	1.500	2	0	0	1	3		4
M	2.000	4	0	0	(3)	1		5
M	3.000	1	0	0	(1)	0		6
Total Utility		211	2	0	(7)	206	0	

METERS

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

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	202	3	0	(8)	197	0	1
1.000	0	1	0	2	3	0	2
1.250	2	0	0	0	2	0	3
1.500	2	0	0	1	3	0	4
2.000	4	0	0	(3)	1	0	5
3.000	1	0	0	(1)	0	0	6
Total:	211	4	0	(9)	206	0	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	166	24	4	2	1	0	197	1
1.000	0	1	0	2	0	0	3	2
1.250	0	2	0	0	0	0	2	3
1.500	0	1	0	2	0	0	3	4
2.000	0	0	0	1	0	0	1	5
3.000	0	0	0	0	0	0	0	6
Total:	166	28	4	7	1	0	206	

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	39				39	2
Total Fire Hydrants	39	0	0	0	39	
Flushing Hydrants						
	3				3	3
Total Flushing Hydrants	3	0	0	0	3	

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:	42
Number of distribution system valves end of year:	59
Number of distribution valves operated during year:	59

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Salaries and Wages (600 & 680) changed due to a change in personnel and their job duties between the two areas.

Fuel or Power Purchased for Pumping (620) changed due to a change in allocation to the sewer. The sewer utility is using more of the power than the water utility.

Supplies and Expenses (640) and Repairs of Water Plant (650) increased due to more water line breaks this year than last. They do not keep a lot of Inventory on hand, they purchase as the need arises. Part of the repairs also comes from the cleaning of the water tower and pump house this year.

Employees Pensions and Benefits (686) have no dollar value due to the fact that they do not have any plans or benefits available to their employees.

Water Services (Page W-16)

The added water services were charged per the Rate File. The new addition fell under the category for a flat rate for connection.

Adjustments are due to adding errors from prior year. Went through reports and realized some were being double counted.

Meters (Page W-17)

Meters were adjusted due to meters being double counted last year. Also, there were some classification errors found.

There were no meters tested or replaced in 2002. In 2003 and subsequent years, the meters will be replaced regularly so that testing will not be necessary. They were to start this procedure in 2002 but were unable to due to other issues that arose in the district.
