



3013 (02-09-04)

ANNUAL REPORT

OF

Name: SOUTH MILWAUKEE WATER UTILITY

Principal Office: 100 MARSHALL AVENUE
P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

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
Distribution of Total Payroll	F-05
Balance Sheet	F-06
Net Utility Plant	F-07
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 111)	F-08
Net Nonutility Property (Accts. 121 & 122)	F-09
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-10
Materials and Supplies	F-11
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-12
Capital Paid in by Municipality (Acct. 200)	F-13
Bonds (Accts. 221 and 222)	F-14
Notes Payable & Miscellaneous Long-Term Debt	F-15
Taxes Accrued (Acct. 236)	F-16
Interest Accrued (Acct. 237)	F-17
Contributions in Aid of Construction (Account 271)	F-18
Balance Sheet End-of-Year Account Balances	F-19
Return on Rate Base Computation	F-20
Return on Proprietary Capital Computation	F-21
Important Changes During the Year	F-22
Financial Section Footnotes	F-23
 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
Property Tax Equivalent (Water)	W-07
Water Utility Plant in Service	W-08
Accumulated Provision for Depreciation - Water	W-10
Source of Supply, Pumping and Purchased Water Statistics	W-12
Sources of Water Supply - Ground Waters	W-13
Sources of Water Supply - Surface Waters	W-14
Pumping & Power Equipment	W-15
Reservoirs, Standpipes & Water Treatment	W-16
Water Mains	W-17
Water Services	W-18
Meters	W-19
Hydrants and Distribution System Valves	W-20
Water Operating Section Footnotes	W-21

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: SOUTH MILWAUKEE WATER UTILITY

Utility Address: 100 MARSHALL AVENUE
P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

When was utility organized? 1/1/1898

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MS RUTH WISNIEWSKI

Title: SUPERINTENDENT

Office Address:

100 MARSHALL AVENUE
P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

Telephone: (414) 768 - 8070

Fax Number: (414) 768 - 8074

E-mail Address: wisniewski@ci.south-milwaukee.wi.us

Utility employee in charge of correspondence concerning this report:

Name: MS RUTH WISNIEWSKI

Title: SUPERINTENDENT

Office Address:

100 MARSHALL AVENUE
P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

Telephone: (414) 768 - 8070

Fax Number: (414) 768 - 8074

E-mail Address: wisniewski@ci.south-milwaukee.wi.us

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

Name: RENEE MESSING

Title: CPA

Office Address: VIRCHOW, KRAUSE & COMPANY LLP

115 SOUTH 84TH STREET
MILWAUKEE, WI 53214

Telephone: (414) 777 - 5500 EXT 5383

Fax Number: (414) 777 - 5555

E-mail Address: rmessing@virchowkrause.com

IDENTIFICATION AND OWNERSHIP

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

Name:

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

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

Name: MR. JOHN SKORUPSKI

Title: PRESIDENT

Office Address:

100 MARSHALL AVENUE
P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

Telephone: (414) 768 - 8070

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

Date of most recent audit report: 1/22/2003

E-mail Address:

Period covered by most recent audit: 1/1/02-12/31/02

Names and titles of utility management including manager or superintendent:

Name: MS RUTH WISNIEWSKI

Title: SUPERINTENDENT

Office Address:

100 MARSHALL AVENUE
P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

Telephone: (414) 768 - 8070

Fax Number: (414) 768 - 8074 EXT

E-mail Address: wisniewski@ci.south-milwaukee.wi.us

Name of utility commission/committee:

Names of members of utility commission/committee:

- MR DAN KOJIS
 - MR FRED MANTEY, SECRETARY
 - MR RUDY MESZAROS
 - MR MARK SCHAUS
 - MR JOHN SKORUPSKI, PRESIDENT
-

Is sewer service rendered by the utility? NO

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

Date of Ordinance:

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation

IDENTIFICATION AND OWNERSHIP

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)	1,874,218	1,821,885	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	1,087,244	1,112,020	2
Depreciation Expense (403)	256,048	229,237	3
Amortization Expense (404-407)	0	0	4
Taxes (408)	259,900	236,397	5
Total Operating Expenses	1,603,192	1,577,654	
Net Operating Income	271,026	244,231	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	271,026	244,231	
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)	12,933	57,447	10
Miscellaneous Nonoperating Income (421)	0	0	11
Total Other Income	12,933	57,447	
Total Income	283,959	301,678	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	12
Other Income Deductions (426)	0	0	13
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	283,959	301,678	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	14
Amortization of Debt Discount and Expense (428)	690	973	15
Amortization of Premium on Debt--Cr. (429)			16
Interest on Debt to Municipality (430)	97,719	117,257	17
Other Interest Expense (431)	0	0	18
Interest Charged to Construction--Cr. (432)			19
Total Interest Charges	98,409	118,230	
Net Income	185,550	183,448	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	3,763,172	3,579,724	20
Balance Transferred from Income (433)	185,550	183,448	21
Miscellaneous Credits to Surplus (434)	0	0	22
Miscellaneous Debits to Surplus--Debit (435)	0	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)	3,948,722	3,763,172	

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 Income from Nonutility Operations, Account 417.

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	
Income from Nonutility Operations (417):		
NONE		3
Total (Acct. 417):	0	
Nonoperating Rental Income (418):		
NONE		4
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INVESTMENT INCOME	12,933	5
Total (Acct. 419):	12,933	
Miscellaneous Nonoperating Income (421):		
NONE		6
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		7
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		8
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		9
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		10
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		11
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		12
Total (Acct. 439)--Debit:	0	

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

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

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

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

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)		
Total operating revenues	1,874,218	0	0	0	1,874,218	1	
Less: interdepartmental sales	0		0	0	0	2	
Less: interdepartmental rents	0	0		0	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				0	5	
Other Increases or (Decreases) to Operating Revenues - Specify:							
NONE						0	6
Revenues subject to Wisconsin Remainder Assessment	1,874,218	0	0	0	1,874,218		

DISTRIBUTION OF TOTAL PAYROLL

1. Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
2. The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
3. Provide additional information in the schedule footnotes when necessary.

Accounts Charged (a)	Direct Payroll Distribution (b)	Allocation of Amounts Charged Clearing Accts. (c)	Total (d)	
Water operating expenses	523,549		523,549	1
Electric operating expenses			0	2
Gas operating expenses			0	3
Heating operating expenses			0	4
Sewer operating expenses	68,597		68,597	5
Merchandising and jobbing			0	6
Other nonutility expenses			0	7
Water utility plant accounts	2,460		2,460	8
Electric utility plant accounts			0	9
Gas utility plant accounts			0	10
Heating utility plant accounts			0	11
Sewer utility plant accounts			0	12
Accum. prov. for depreciation of water plant			0	13
Accum. prov. for depreciation of electric plant			0	14
Accum. prov. for depreciation of gas plant			0	15
Accum. prov. for depreciation of heating plant			0	16
Accum. prov. for depreciation of sewer plant			0	17
Clearing accounts			0	18
All other accounts			0	19
Total Payroll	594,606	0	594,606	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (101-107)	11,235,479	10,868,819	1
Less: Accumulated Provision for Depreciation and Amortization (111-116)	3,197,112	2,983,078	2
Net Utility Plant	8,038,367	7,885,741	
Utility Plant Acquisition Adjustments (117-118)			3
Other Utility Plant Adjustments (119)			4
Total Net Utility Plant	8,038,367	7,885,741	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	5
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	6
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	7
Other Investments (124)	0	0	8
Special Funds (125-128)	247,244	539,243	9
Total Other Property and Investments	247,244	539,243	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	450,289	317,251	10
Special Deposits (132-134)	0	0	11
Working Funds (135)			12
Temporary Cash Investments (136)			13
Notes Receivable (141)	0	0	14
Customer Accounts Receivable (142)	122,241	115,112	15
Other Accounts Receivable (143)	162,607	161,535	16
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	17
Receivables from Municipality (145)	200,265	174,358	18
Materials and Supplies (151-163)	58,500	63,237	19
Prepayments (165)	145	1,012	20
Interest and Dividends Receivable (171)			21
Accrued Utility Revenues (173)	306,570	281,241	22
Miscellaneous Current and Accrued Assets (174)			23
Total Current and Accrued Assets	1,300,617	1,113,746	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	469	1,159	24
Other Deferred Debits (182-186)	0	0	25
Total Deferred Debits	469	1,159	
Total Assets and Other Debits	9,586,697	9,539,889	

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)	655,013	655,013	26
Appropriated Earned Surplus (215)			27
Unappropriated Earned Surplus (216)	3,948,722	3,763,172	28
Total Proprietary Capital	4,603,735	4,418,185	
LONG-TERM DEBT			
Bonds (221-222)	0	0	29
Advances from Municipality (223)	2,248,289	2,598,462	30
Other Long-Term Debt (224)	0	0	31
Total Long-Term Debt	2,248,289	2,598,462	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	32
Accounts Payable (232)	91,533	77,694	33
Payables to Municipality (233)	495,040	305,700	34
Customer Deposits (235)			35
Taxes Accrued (236)	0	0	36
Interest Accrued (237)	11,663	13,606	37
Matured Long-Term Debt (239)			38
Matured Interest (240)			39
Tax Collections Payable (241)			40
Miscellaneous Current and Accrued Liabilities (242)	6,060	5,003	41
Total Current and Accrued Liabilities	604,296	402,003	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	42
Customer Advances for Construction (252)			43
Other Deferred Credits (253)	167,963	158,825	44
Total Deferred Credits	167,963	158,825	
OPERATING RESERVES			
Property Insurance Reserve (261)			45
Injuries and Damages Reserve (262)			46
Pensions and Benefits Reserve (263)			47
Miscellaneous Operating Reserves (265)			48
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	1,962,414	1,962,414	49
Total Liabilities and Other Credits	9,586,697	9,539,889	

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 (101)	11,176,976	0	0	0	1
Utility Plant Purchased or Sold (102)					2
Utility Plant in Process of Reclassification (103)					3
Utility Plant Leased to Others (104)					4
Property Held for Future Use (105)					5
Completed Construction not Classified (106)					6
Construction Work in Progress (107)	58,503				7
Total Utility Plant	11,235,479	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (111)	3,197,112	0	0	0	8
Accumulated Provision for Depreciation of Utility Plant Leased to Others (112)					9
Accumulated Provision for Depreciation of Property Held for Future Use (113)					10
Accumulated Provision for Amortization of Utility Plant in Service (114)					11
Accumulated Provision for Amortization of Utility Plant Leased to Others (115)					12
Accumulated Provision for Amortization of Property Held for Future Use (116)					13
Total Accumulated Provision	3,197,112	0	0	0	
Net Utility Plant	8,038,367	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT (ACCT. 111)

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	2,983,078				2,983,078	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	256,048				256,048	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	13,872				13,872	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage	0				0	10
Other credits (specify):						11
Plant adjustments per W-8	(1,585)				(1,585)	12
Total credits	268,335	0	0	0	268,335	13
Debits during year						14
Book cost of plant retired	54,364				54,364	15
Cost of removal	0				0	16
Other debits (specify):						17
Miscellaneous Adjustments	(63)				(63)	18
Total debits	54,301	0	0	0	54,301	19
Balance End of Year	3,197,112	0	0	0	3,197,112	20
						21
						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

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

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

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel (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)	58,500	63,237	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	58,500	63,237	

**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)				
1994 ADVANCE FROM CITY	690	428	469	1
NONE				2
Total			469	
Unamortized premium on debt (251)				
NONE				3
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	655,013	1
Changes during year (explain):		
NONE	0	2
Balance end of year	<u><u>655,013</u></u>	

BONDS (ACCTS. 221 AND 222)

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)
Total Reacquired Bonds (Account 222)				0 1
Net amount of bonds outstanding December 31:				<u><u>0</u></u>

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances (223)					
1997 ADVANCE FROM CITY	12/15/1997	12/01/2007	4.33%	1,311,923	1
2001 ADVANCE FROM CITY	06/01/2001	06/01/2011	4.35%	621,366	2
1994 ADVANCE FROM CITY	05/01/1994	10/01/2004	4.85%	315,000	3
Total for Account 223				2,248,289	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	252,793	2
Charged electric department expense		3
Charged sewer department expense	7,107	4
Other (explain):		
NONE		5
Total Accruals and other credits	259,900	
Taxes paid during year:		
County, state and local taxes	218,206	6
Social Security taxes	39,954	7
PSC Remainder Assessment	1,740	8
Other (explain):		
NONE		9
Total payments and other debits	259,900	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

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

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
1990 ADVANCE FROM CITY	0			0	2
1994 ADVANCE FROM CITY	5,750	16,873	18,685	3,938	3
1997 ADVANCE FROM CITY	5,513	65,526	66,159	4,880	4
2001 ADVANCE FROM CITY	2,343	15,320	14,818	2,845	5
Subtotal	13,606	97,719	99,662	11,663	
Other Long-Term Debt (224)					
NONE	0			0	6
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	7
Subtotal	0	0	0	0	
Total	13,606	97,719	99,662	11,663	

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	1,962,414	0	0	0	0	1,962,414	1
Add credits during year:							
For Services	0					0	2
For Mains	0					0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	1,962,414	0	0	0	0	1,962,414	
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	
Sinking Funds (125):		
NONE		3
Total (Acct. 125):	0	
Depreciation Fund (126):		
NONE		4
Total (Acct. 126):	0	
Other Special Funds (128):		
CONSTRUCTION FUND	213,157	5
CONTINGENCY FUND	34,087	6
Total (Acct. 128):	247,244	
Interest Special Deposits (132):		
NONE		7
Total (Acct. 132):	0	
Other Special Deposits (134):		
NONE		8
Total (Acct. 134):	0	
Notes Receivable (141):		
NONE		9
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	122,241	10
Electric		11
Sewer (Regulated)		12
Other (specify):		
NONE		13
Total (Acct. 142):	122,241	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	157,190	14
Merchandising, jobbing and contract work		15
Other (specify):		

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 Accounts Receivable (143):		
MISCELLANEOUS SERVICE CHARGES	5,417	16
Total (Acct. 143):	162,607	
Receivables from Municipality (145):		
DUE FROM CITY - DELINQUENT CHARGES ON TAX ROLL	98,091	17
DUE FROM SEWER-WAGES, DEPRECIATION, TAX EQUIV., ETC.	102,174	18
Total (Acct. 145):	200,265	
Prepayments (165):		
MAINTENANCE CONTRACTS	145	19
Total (Acct. 165):	145	
Extraordinary Property Losses (182):		
NONE		20
Total (Acct. 182):	0	
Preliminary Survey and Investigation Charges (183):		
NONE		21
Total (Acct. 183):	0	
Clearing Accounts (184):		
NONE		22
Total (Acct. 184):	0	
Temporary Facilities (185):		
NONE		23
Total (Acct. 185):	0	
Miscellaneous Deferred Debits (186):		
NONE		24
Total (Acct. 186):	0	
Payables to Municipality (233):		
DUE TO CITY-INSURANCE, TAX EQUIV, PUBLIC FIRE, OTHER EXP	126,023	25
DUE TO SEWER-SEWER BILLING AND OTHER EXPENSES	369,017	26
Total (Acct. 233):	495,040	
Other Deferred Credits (253):		
DEFERRED LEASE REVENUE	10,033	27
ACCRUED SICK PAY	157,930	28
Total (Acct. 253):	167,963	

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	11,022,178	0	0	0	11,022,178	1
Materials and Supplies	60,868	0	0	0	60,868	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	3,090,095	0	0	0	3,090,095	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	1,962,414	0	0	0	1,962,414	6
Other (specify):					0	7
Average Net Rate Base	6,030,537	0	0	0	6,030,537	
Net Operating Income	271,026	0	0	0	271,026	8
Net Operating Income as a percent of Average Net Rate Base	4.49%	N/A	N/A	N/A	4.49%	

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	655,013	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	3,855,947	3
Other (Specify):		4
Total Average Proprietary Capital	4,510,960	
Net Income		
Net Income	185,550	5
Percent Return on Proprietary Capital	4.11%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

In November, 2002, the Utility was granted a rate increase that is expected to increase an average customer's bill by 12%.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

ACCOUNTANTS' COMPILATION REPORT

Water Commission
City of South Milwaukee Water Utility
Milwaukee County, Wisconsin

We have compiled the accompanying PSC Report of the City of South Milwaukee Water Utility, an enterprise fund of the City of South Milwaukee, as of and for the year ended December 31, 2002 and 2001, in accordance with Statements on Standards for Accounting and Review Service issued by the American Institute of Certified Public Accountants.

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

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

VIRCHOW, KRAUSE & COMPANY, LLP

Milwaukee, Wisconsin
January 22, 2003

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

10/22/03 email:

Dear Ms. Wisniewski:

The Public Service Commission (Commission) staff has completed its analytical review of your utility's 2002 annual report. The primary purpose of our analytical review is to detect possible accounting related errors and to identify significant fluctuations from prior year's data, which are not sufficiently explained in the footnotes of your annual report. We have no questions only the following comment:

The amount reported for Utility Plant Jan. 1 on Page W-7, does not agree with the amount reported on Page F-7 of the prior year report. The difference is immaterial, but in the future, please use the number from the prior year Net Utility Plant schedule.

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

Thank you for your efforts in preparing your 2002 annual report. We are closing the review of your 2002 annual report. . If you have any questions, please feel free to contact me at (608) 266-3768 or by e-mail at elaine.engelke@psc.state.wi.us.

Sincerely,

Elaine Engelke
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	1,831,579	1
Total Sales of Water	1,831,579	
Other Operating Revenues		
Forfeited Discounts (470)	16,626	2
Miscellaneous Service Revenues (471)	0	3
Rents from Water Property (472)	16,721	4
Interdepartmental Rents (473)	0	5
Other Water Revenues (474)	9,292	6
Amortization of Construction Grants (475)	0	7
Total Other Operating Revenues	42,639	
Total Operating Revenues	1,874,218	
Operation and Maintenance Expenses		
Source of Supply Expense (600-617)	0	8
Pumping Expenses (620-633)	217,825	9
Water Treatment Expenses (640-652)	248,224	10
Transmission and Distribution Expenses (660-678)	273,107	11
Customer Accounts Expenses (901-905)	44,585	12
Sales Expenses (910)	0	13
Administrative and General Expenses (920-932)	303,503	14
Total Operation and Maintenance Expenses	1,087,244	
Other Operating Expenses		
Depreciation Expense (403)	256,048	15
Amortization Expense (404-407)		16
Taxes (408)	259,900	17
Total Other Operating Expenses	515,948	
Total Operating Expenses	1,603,192	
NET OPERATING INCOME	271,026	

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	2	15	59	1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	2	15	59	
Metered Sales to General Customers (461)				
Residential	5,865	403,142	960,791	4
Commercial	536	140,712	252,504	5
Industrial	31	110,450	140,983	6
Total Metered Sales to General Customers (461)	6,432	654,304	1,354,278	
Private Fire Protection Service (462)	28		15,341	7
Public Fire Protection Service (463)	1		382,015	8
Other Sales to Public Authorities (464)	45	53,242	79,886	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	6,508	707,561	1,831,579	

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)	382,015	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)	382,015	
Forfeited Discounts (470):		
Customer late payment charges	16,626	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	16,626	
Miscellaneous Service Revenues (471):		
NONE		7
Total Miscellaneous Service Revenues (471)	0	
Rents from Water Property (472):		
WATER TOWER RENTAL	16,721	8
Total Rents from Water Property (472)	16,721	
Interdepartmental Rents (473):		
NONE		9
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	6,386	10
Other (specify): MISCELLANEOUS SERVICE CHARGES	2,906	11
Total Other Water Revenues (474)	9,292	
Amortization of Construction Grants (475):		
NONE		12
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 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
SOURCE OF SUPPLY EXPENSES		
Operation Supervision and Engineering (600)		1
Operation Labor and Expenses (601)		2
Purchased Water (602)	0	3
Miscellaneous Expenses (603)		4
Rents (604)		5
Maintenance Supervision and Engineering (610)		6
Maintenance of Structures and Improvements (611)		7
Maintenance of Collecting and Impounding Reservoirs (612)		8
Maintenance of Lake, River and Other Intakes (613)		9
Maintenance of Wells and Springs (614)		10
Maintenance of Infiltration Galleries and Tunnels (615)		11
Maintenance of Supply Mains (616)		12
Maintenance of Miscellaneous Water Source Plant (617)		13
Total Source of Supply Expenses	0	
PUMPING EXPENSES		
Operation Supervision and Engineering (620)	15,228	14
Fuel for Power Production (621)		15
Power Production Labor and Expenses (622)		16
Fuel or Power Purchased for Pumping (623)	66,547	17
Pumping Labor and Expenses (624)	100,527	18
Expenses Transferred--Credit (625)		19
Miscellaneous Expenses (626)	35,431	20
Rents (627)		21
Maintenance Supervision and Engineering (630)		22
Maintenance of Structures and Improvements (631)		23
Maintenance of Power Production Equipment (632)		24
Maintenance of Pumping Equipment (633)	92	25
Total Pumping Expenses	217,825	
WATER TREATMENT EXPENSES		
Operation Supervision and Engineering (640)	15,228	26
Chemicals (641)	30,128	27

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
WATER TREATMENT EXPENSES		
Operation Labor and Expenses (642)	161,528	28
Miscellaneous Expenses (643)	20,298	29
Rents (644)		30
Maintenance Supervision and Engineering (650)		31
Maintenance of Structures and Improvements (651)	0	32
Maintenance of Water Treatment Equipment (652)	21,042	33
Total Water Treatment Expenses	248,224	
 TRANSMISSION AND DISTRIBUTION EXPENSES		
Operation Supervision and Engineering (660)	15,231	34
Storage Facilities Expenses (661)		35
Transmission and Distribution Lines Expenses (662)	19,644	36
Meter Expenses (663)	13,840	37
Customer Installations Expenses (664)	18,877	38
Miscellaneous Expenses (665)	10,691	39
Rents (666)		40
Maintenance Supervision and Engineering (670)		41
Maintenance of Structures and Improvements (671)		42
Maintenance of Distribution Reservoirs and Standpipes (672)		43
Maintenance of Transmission and Distribution Mains (673)	113,158	44
Maintenance of Fire Mains (674)		45
Maintenance of Services (675)	43,159	46
Maintenance of Meters (676)	875	47
Maintenance of Hydrants (677)	13,103	48
Maintenance of Miscellaneous Plant (678)	24,529	49
Total Transmission and Distribution Expenses	273,107	
 CUSTOMER ACCOUNTS EXPENSES		
Supervision (901)		50
Meter Reading Labor (902)	21,333	51
Customer Records and Collection Expenses (903)	23,252	52
Uncollectible Accounts (904)		53

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
CUSTOMER ACCOUNTS EXPENSES		
Miscellaneous Customer Accounts Expenses (905)		54
Total Customer Accounts Expenses	44,585	
 SALES EXPENSES		
Sales Expenses (910)		55
Total Sales Expenses	0	
 ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and General Salaries (920)	51,524	56
Office Supplies and Expenses (921)	3,079	57
Administrative Expenses Transferred--Credit (922)		58
Outside Services Employed (923)	7,050	59
Property Insurance (924)	22,828	60
Injuries and Damages (925)	15,652	61
Employee Pensions and Benefits (926)	182,512	62
Regulatory Commission Expenses (928)	7,122	63
Duplicate Charges--Credit (929)		64
Miscellaneous General Expenses (930)	4,637	65
Rents (931)		66
Maintenance of General Plant (932)	9,099	67
Total Administrative and General Expenses	303,503	
 Total Operation and Maintenance Expenses	 1,087,244	

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		225,313	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		7,107	2
Net property tax equivalent		218,206	
Social Security		39,954	3
PSC Remainder Assessment		1,740	4
Other (specify): NONE			5
Total tax expense		<u>259,900</u>	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.0811(2). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Milwaukee				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.194660				3
County tax rate	mills		4.951560				4
Local tax rate	mills		8.710783				5
School tax rate	mills		10.528099				6
Voc. school tax rate	mills		1.953508				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		26.338610				10
Less: state credit	mills		1.404661				11
Net tax rate	mills		24.933949				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		8.710783				14
Combined School Tax Rate	mills		12.481607				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		21.192390				17
Total Tax Rate	mills		26.338610				18
Ratio of Local and School Tax to Total	dec.		0.804613				19
Total tax net of state credit	mills		24.933949				20
Net Local and School Tax Rate	mills		20.062181				21
Utility Plant, Jan. 1	\$	10,867,381	10,867,381				22
Materials & Supplies	\$	63,237	63,237				23
Subtotal	\$	10,930,618	10,930,618				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	10,930,618	10,930,618				26
Assessment Ratio	dec.		1.027455				27
Assessed Value	\$	11,230,718	11,230,718				28
Net Local & School Rate	mills		20.062181				29
Tax Equiv. Computed for Current Year	\$	225,313	225,313				30
Tax Equivalent per 1994 PSC Report	\$	175,000					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32 33
Tax equiv. for current year (see note 6)	\$	225,313					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	110,921	2,331	7
Wells and Springs (314)	0		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	110,921	2,331	
PUMPING PLANT			
Land and Land Rights (320)	2,400	0	12
Structures and Improvements (321)	167,145	30,849	13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	532,910		17
Diesel Pumping Equipment (326)	592		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	135,222		20
Total Pumping Plant	838,269	30,849	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	270,777		22
Water Treatment Equipment (332)	1,961,347	1,824	23
Total Water Treatment Plant	2,232,124	1,824	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	6,000		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			113,252	7
Wells and Springs (314)			0	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	113,252	
PUMPING PLANT				
Land and Land Rights (320)			2,400	12
Structures and Improvements (321)	658		197,336	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)	6,661	592	526,841	17
Diesel Pumping Equipment (326)		(592)	0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			135,222	20
Total Pumping Plant	7,319	0	861,799	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)	1,797		268,980	22
Water Treatment Equipment (332)		(1,585)	1,961,586	23
Total Water Treatment Plant	1,797	(1,585)	2,230,566	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			6,000	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 \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	1,373,240		26
Transmission and Distribution Mains (343)	3,774,444	267,473	27
Fire Mains (344)	0		28
Services (345)	802,217	29,797	29
Meters (346)	552,543	10,866	30
Hydrants (348)	380,603	16,174	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	6,889,047	324,310	
GENERAL PLANT			
Land and Land Rights (389)	0		33
Structures and Improvements (390)	282,707		34
Office Furniture and Equipment (391)	22,713		35
Computer Equipment (391.1)	31,728		36
Transportation Equipment (392)	143,956		37
Stores Equipment (393)	212		38
Tools, Shop and Garage Equipment (394)	72,822		39
Laboratory Equipment (395)	9,421		40
Power Operated Equipment (396)	51,205		41
Communication Equipment (397)	122,517	6,230	42
SCADA Equipment (397.1)	44,300		43
Miscellaneous Equipment (398)	15,439		44
Other Tangible Property (399)	0		45
Total General Plant	797,020	6,230	
Total utility plant in service directly assignable	10,867,381	365,544	
Common Utility Plant Allocated to Water Department	0		46
Total utility plant in service	10,867,381	365,544	

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)			1,373,240 26
Transmission and Distribution Mains (343)	7,864		4,034,053 27
Fire Mains (344)			0 28
Services (345)	6,551		825,463 29
Meters (346)	6,219		557,190 30
Hydrants (348)	1,465		395,312 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	22,099	0	7,191,258
GENERAL PLANT			
Land and Land Rights (389)			0 33
Structures and Improvements (390)	700		282,007 34
Office Furniture and Equipment (391)	106		22,607 35
Computer Equipment (391.1)			31,728 36
Transportation Equipment (392)	11,661		132,295 37
Stores Equipment (393)			212 38
Tools, Shop and Garage Equipment (394)	6,868		65,954 39
Laboratory Equipment (395)	270		9,151 40
Power Operated Equipment (396)			51,205 41
Communication Equipment (397)	3,544		125,203 42
SCADA Equipment (397.1)			44,300 43
Miscellaneous Equipment (398)			15,439 44
Other Tangible Property (399)			0 45
Total General Plant	23,149	0	780,101
Total utility plant in service directly assignable	54,364	(1,585)	11,176,976
Common Utility Plant Allocated to Water Department			0 46
Total utility plant in service	54,364	(1,585)	11,176,976

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. 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 in a schedule footnote.
 2. If more than one depreciation rate is used, report the average rate in column (c).

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	
SOURCE OF SUPPLY PLANT				
Structures and Improvements (311)	0			1
Collecting and Impounding Reservoirs (312)	0			2
Lake, River and Other Intakes (313)	68,348	2.00%	2,242	3
Wells and Springs (314)	0			4
Infiltration Galleries and Tunnels (315)	0			5
Supply Mains (316)	0			6
Other Water Source Plant (317)	0			7
Total Source of Supply Plant	68,348		2,242	
PUMPING PLANT				
Structures and Improvements (321)	91,481	3.00%	5,752	8
Boiler Plant Equipment (322)	0			9
Other Power Production Equipment (323)	0			10
Steam Pumping Equipment (324)	0			11
Electric Pumping Equipment (325)	259,619	3.50%	18,491	12
Diesel Pumping Equipment (326)	88	4.30%		13
Hydraulic Pumping Equipment (327)	0			14
Other Pumping Equipment (328)	41,048	4.30%	5,815	15
Total Pumping Plant	392,236		30,058	
WATER TREATMENT PLANT				
Structures and Improvements (331)	168,865	2.50%	6,747	16
Water Treatment Equipment (332)	568,635	2.80%	54,921	17
Total Water Treatment Plant	737,500		61,668	
TRANSMISSION AND DISTRIBUTION PLANT				
Structures and Improvements (341)	0			18
Distribution Reservoirs and Standpipes (342)	173,441	1.90%	26,092	19
Transmission and Distribution Mains (343)	562,397	1.10%	42,947	20
Fire Mains (344)	0			21
Services (345)	290,662	2.00%	16,277	22
Meters (346)	164,488	5.00%	27,743	23
Hydrants (348)	97,328	1.80%	6,983	24
Other Transmission and Distribution Plant (349)	0			25
Total Transmission and Distribution Plant	1,288,316		120,042	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

Account (e)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
311					0	1
312					0	2
313					70,590	3
314					0	4
315					0	5
316					0	6
317					0	7
	0	0	0	0	70,590	
321	658				96,575	8
322					0	9
323					0	10
324					0	11
325	6,661			88	271,537	12
326				(88)	0	13
327					0	14
328					46,863	15
	7,319	0	0	0	414,975	
331	1,797				173,815	16
332				(1,585)	621,971	17
	1,797	0	0	(1,585)	795,786	
341					0	18
342					199,533	19
343	7,864				597,480	20
344					0	21
345	6,551				300,388	22
346	6,219				186,012	23
348	1,465				102,846	24
349					0	25
	22,099	0	0	0	1,386,259	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. 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 in a schedule footnote.
 2. If more than one depreciation rate is used, report the average rate in column (c).

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	
GENERAL PLANT				
Structures and Improvements (390)	118,957	3.30%	9,318	26
Office Furniture and Equipment (391)	20,043	5.80%	1,315	27
Computer Equipment (391.1)	31,728	20.00%		28
Transportation Equipment (392)	90,688	20.00%	19,824	29
Stores Equipment (393)	128	5.80%	12	30
Tools, Shop and Garage Equipment (394)	59,990	5.80%	3,964	31
Laboratory Equipment (395)	4,914	5.80%	539	32
Power Operated Equipment (396)	14,929	8.30%	4,250	33
Communication Equipment (397)	110,888	9.20%	11,445	34
SCADA Equipment (397.1)	38,254	9.20%	4,026	35
Miscellaneous Equipment (398)	6,159	8.30%	1,280	36
Other Tangible Property (399)	0			37
Total General Plant	<u>496,678</u>		<u>55,973</u>	
Total accum. prov. directly assignable	<u>2,983,078</u>		<u>269,983</u>	
 Common Utility Plant Allocated to Water Department	 0			 38
 Total accum. prov. for depreciation	 <u><u>2,983,078</u></u>		 <u><u>269,983</u></u>	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

Account (e)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
390	700				127,575	26
391	106				21,252	27
391.1					31,728	28
392	11,661				98,851	29
393					140	30
394	6,868				57,086	31
395	270				5,183	32
396					19,179	33
397	3,544				118,789	34
397.1					42,280	35
398					7,439	36
399					0	37
	23,149	0	0	0	529,502	
	54,364	0	0	(1,585)	3,197,112	
					0	38
	54,364	0	0	(1,585)	3,197,112	

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

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

Sources of Water Supply					
Month	Purchased Water	Surface Water	Ground Water	Total Gallons	
(a)	Gallons	Gallons	Gallons	All Methods	
	(000's)	(000's)	(000's)	(000's)	
(a)	(b)	(c)	(d)	(e)	
January		67,834		67,834	1
February		66,159		66,159	2
March		74,149		74,149	3
April		69,769		69,769	4
May		73,467		73,467	5
June		95,158		95,158	6
July		110,692		110,692	7
August		93,289		93,289	8
September		79,551		79,551	9
October		71,655		71,655	10
November		65,147		65,147	11
December		70,930		70,930	12
Total annual pumpage	0	937,800	0	937,800	
Less: Water sold				707,561	13
Volume pumped but not sold				230,239	14
Volume sold as a percent of volume pumped				75%	15
Volume used for water production, water quality and system maintenance				70,534	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				70,534	19
Volume pumped but unaccounted for				159,705	20
Percent of water lost				17%	21
If more than 15%, indicate causes and state what action has been taken to reduce water loss:					22
Possible illegal hydrant usage, unreported contractor use, underestimate of water lost due to water main breaks and service leaks.					
Action: Utility intends to initiate a water distribution leak survey.					
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				4,858	23
Date of maximum: 6/28/2002					24
Cause of maximum:					25
Hot dry weather					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				1,937	26
Date of minimum: 11/6/2002					27
Total KWH used for pumping for the year				1,163,270	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)	
INTAKE - LAKE MICHIGAN	1	3,000	35	24	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	LAKE 1	LAKE 2	LAKE 3	1
Location	1	2	3	2
Purpose	P	P	P	3
Destination	T	T	T	4
Pump Manufacturer	WORTHINGTON	PEERLESS	PEERLESS	5
Year Installed	1957	1957	1957	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	2,400	1,900	1,900	8
Pump Motor or Standby Engine Mfr	L ALLIS	US	US	9
Year Installed	1957	1993	1957	10
Type	ELECTRIC	ELECTRIC	ELECTRIC	11
Horsepower	40	30	40	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	LAKE 4	RESERVOIR 4	RESERVOIR 5	14
Location	4	4	5	15
Purpose	P	P	P	16
Destination	T	D	T	17
Pump Manufacturer	PEERLESS	BJ	A CHALMERS	18
Year Installed	1964	1964	1937	19
Type	VERTICAL TURBINE	VERTICAL TURBINE	CENTRIFUGAL	20
Actual Capacity (gpm)	3,200	4,000	2,800	21
Pump Motor or Standby Engine Mfr	L ALLIS	U.S.	AC	22
Year Installed	1957	2001	1937	23
Type	ELECTRIC	ELECTRIC	ELECTRIC	24
Horsepower	40	350	40	25

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	RESERVOIR 6	RESERVOIR 8	RESERVOIR 9	1
Location	6	8	9	2
Purpose	P	P	P	3
Destination	T	D	D	4
Pump Manufacturer	A CHALMERS	BJ	BJ	5
Year Installed	1937	1992	1992	6
Type	CENTRIFUGAL	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	2,800	1,500	1,700	8
Pump Motor or Standby Engine Mfr	AC	US	US	9 10
Year Installed	1937	1992	1992	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	40	125	150	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22 23
Year Installed				24
Type				25
Horsepower				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	CLEAR WELL	CLEAR WELL 2	ELEVATED	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	R	S	3
Year constructed	1926	1958	1947	4
Primary material (earthen, steel, concrete, other)	CONCRETE	CONCRETE	STEEL	5
Elevation difference in feet (See Headnote 3.)	0	0	240	6
Total capacity in gallons (actual)	1,000,000	1,500,000	500,000	7
WATER TREATMENT PLANT				8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID			9
Points of application (wellhouse, central facilities, booster station, other)	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.)	8.0000			12
Is a corrosion control chemical used (yes, no)?	Y			13
Is water fluoridated (yes, no)?	Y			14

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	WATER TOWER		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		3
Year constructed	1999		4
Primary material (earthen, steel, concrete, other)	OTHER		5
Elevation difference in feet (See Headnote 3.)	252		6
Total capacity in gallons (actual)	1,000,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)			9
Points of application (wellhouse, central facilities, booster station, other)			10
Filters, type (gravity, pressure, other, none)			11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)			12
Is a corrosion control chemical used (yes, no)?			13
Is water fluoridated (yes, no)?			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25

WATER MAINS

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

								Number of Feet	
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)		
M	D	4.000	4,238	0	0	0	4,238	1	
M	D	6.000	213,547	0	1,958	0	211,589	2	
P	D	6.000	1,328	0	0	0	1,328	3	
M	D	8.000	58,724	0	0	0	58,724	4	
P	D	8.000	19,230	3,195	0	0	22,425	5	
M	D	10.000	13,377	0	0	0	13,377	6	
M	D	12.000	35,407	0	0	0	35,407	7	
P	D	12.000	5,717	0	0	0	5,717	8	
M	D	16.000	1,829	0	0	0	1,829	9	
P	D	16.000	3,270	0	0	0	3,270	10	
M	D	20.000	4,956	0	0	0	4,956	11	
Total Within Municipality			361,623	3,195	1,958	0	362,860		
Total Utility			361,623	3,195	1,958	0	362,860		

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)	
L	0.625	730	0	0	0	730		1
L	0.750	1,222	0	0	0	1,222		2
M	0.750	3,241	0	0	0	3,241		3
M	1.000	573	31	29	0	575		4
P	1.250	3	0	0	0	3		5
M	1.500	10	0	0	0	10		6
M	2.000	71	0	0	0	71		7
M	3.000	23	0	0	0	23		8
M	4.000	14	0	0	0	14		9
M	6.000	12	0	0	0	12		10
M	8.000	3	0	0	0	3		11
Total Utility		5,902	31	29	0	5,904	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	6,190	36	98	(1)	6,127	136	1
0.750	162	12	9	0	165	9	2
1.000	64	0	3	0	61	3	3
1.250	12	0	0	0	12	0	4
1.500	125	0	15	0	110	14	5
2.000	34	4	1	0	37	2	6
3.000	16	2	0	0	18	0	7
4.000	10	2	0	0	12	0	8
6.000	4	0	0	0	4	0	9
8.000	1	0	0	0	1	0	10
Total:	6,618	56	126	(1)	6,547	164	

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	5,827	264	11	9	3	13	6,127	1
0.750	46	104	4	4	0	7	165	2
1.000	5	47	1	2	0	6	61	3
1.250	0	12	0	0	0	0	12	4
1.500	0	99	2	6	0	3	110	5
2.000	0	13	3	15	0	6	37	6
3.000	0	5	2	8	2	1	18	7
4.000	0	0	6	4	0	2	12	8
6.000	0	0	2	2	0	0	4	9
8.000	0	0	1	0	0	0	1	10
Total:	5,878	544	32	50	5	38	6,547	

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	665	5	4		666	2
Total Fire Hydrants	665	5	4	0	666	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year

Number of hydrants operated during year:

Number of distribution system valves end of year:

Number of distribution valves operated during year:

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Maintenance of Transmission and Distribution Mains (673) decreased by 38% or \$69,657 due to cost incurred in the prior year included excessive main break repairs and required asphalt patches. In the current year, the utility did not have these same costs.

Water Utility Plant in Service (Page W-08)

Diesel Pumping Equipment (326), Electric Pumping Equipment (325), and Water Treatment Equipment (332) were adjusted to bring the financial statements into agreement with the plant ledger.

Water Mains (Page W-17)

The water main additions were financed by using borrowed funds of the utility.

Water Services (Page W-18)

The water services added during the year were financed by using borrowed funds of the utility.

Meters (Page W-19)

Adjustments were to reconcile number of meters owned to the number of accounts the utility has in their records.

6" meters are scheduled to be tested in 2003.

8" meter is abandoned in place; therefore, no testing done.
