



3015 (02-09-04)

ANNUAL REPORT

OF

Name: TOWN OF SHEBOYGAN SANITARY DIST. # 3 (WATER)

Principal Office: 3932 SUPERIOR AVE.
SHEBOYGAN, WI 53081

For the Year Ended: DECEMBER 31, 2003

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: TOWN OF SHEBOYGAN SANITARY DIST. # 3 (WATER)

Utility Address: 3932 SUPERIOR AVE.
SHEBOYGAN, WI 53081

When was utility organized? 1/31/1986

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MS. DARLA FREE

Title: ADMINISTRATIVE ASSISTANT/UTILITY CLERK

Office Address:

3932 SUPERIOR AVE.
SHEBOYGAN, WI 53081

Telephone: (920) 451 - 2320

Fax Number: (920) 451 - 2323

E-mail Address: darla@townofsheboygan.org

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

Name: TIM HERLITZKA

Title: MANAGER

Office Address: VIRCHOW, KRAUSE, & COMPANY, LLP

TEN TERRACE COURT
P.O. BOX 7398
MADISON, WI 53707-7398

Telephone: (608) 249 - 6622

Fax Number: (608) 249 - 8532

E-mail Address: therlitzka@virchowkrause.com

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

Name: GERALD SAMPSON

Title: PRESIDENT

Office Address:

3932 SUPERIOR AVENUE
SHEBOYGAN, WI 53081

Telephone: (920) 451 - 2320

Fax Number: (920) 451 - 2323

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: TIM HERLITZKA

Title: MANAGER

Office Address: VIRCHOW, KRAUSE, & COMPANY, LLP
TEN TERRACE COURT
P.O. BOX 7398
MADISON, WI 53707-7398

Telephone: (608) 249 - 6622

Fax Number: (608) 249 - 8532

E-mail Address: therlitzka@virchowkrause.com

Date of most recent audit report: 3/9/2004

Period covered by most recent audit: 12/31/03

Names and titles of utility management including manager or superintendent:

Name: DARLA FREE

Title: ADMINISTRATIVE ASSISTANT/UTILITY CLERK

Office Address:

3932 SUPERIOR AVENUE
SHEBOYGAN, WI 53081

Telephone: (920) 451 - 2320

Fax Number: (920) 451 - 2323

E-mail Address: darla@townofsheboygan.org

Name: MR WILLIAM BLASHKA

Title: CERTIFIED OPERATOR

Office Address:

3932 SUPERIOR AVENUE
SHEBOYGAN, WI 53081

Telephone: (920) 451 - 2320

Fax Number: (920) 451 - 2323

E-mail Address:

Name of utility commission/committee: TOWN OF SHEBOYGAN SANITARY DISTRICT NO. 3 (WATER)

Names of members of utility commission/committee:

- MR MARK FLASHER, TREASURER
 - MR GERALD SAMPSON, PRESIDENT
 - MR JOHN SKVARCE, SECRETARY
-

Is sewer service rendered by the utility? NO

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

Date of Ordinance:

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	451,417	407,819	1
Operating Expenses:			
Operation and Maintenance Expense (401)	190,428	184,068	2
Depreciation Expense (403)	101,258	152,887	3
Amortization Expense (404)	0	0	4
Taxes (408)	11,919	4,507	5
Total Operating Expenses	303,605	341,462	
Net Operating Income	147,812	66,357	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	147,812	66,357	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	38,970	29,234	9
Miscellaneous Nonoperating Income (421)	264,714	123,650	10
Total Other Income	303,684	152,884	
Total Income	451,496	219,241	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	55,407	0	12
Total Miscellaneous Income Deductions	55,407	0	
Income Before Interest Charges	396,089	219,241	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	71,298	90,998	13
Amortization of Debt Discount and Expense (428)	9,632	9,632	14
Amortization of Premium on Debt--Cr. (429)	0		15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0		18
Total Interest Charges	80,930	100,630	
Net Income	315,159	118,611	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	163,778	45,167	19
Balance Transferred from Income (433)	315,159	118,611	20
Miscellaneous Credits to Surplus (434)	5,317,663	0	21
Miscellaneous Debits to Surplus--Debit (435)	5,753	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)	5,790,847	163,778	

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)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	451,417		451,417	1
Total (Acct. 400):	451,417	0	451,417	
Operation and Maintenance Expense (401):				
Derived	190,428		190,428	2
Total (Acct. 401):	190,428	0	190,428	
Depreciation Expense (403):				
Derived	101,258		101,258	3
Total (Acct. 403):	101,258	0	101,258	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	11,919		11,919	5
Total (Acct. 408):	11,919	0	11,919	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	147,812	0	147,812	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INVESTMENT INCOME	38,970	0	38,970	10
Total (Acct. 419):	38,970	0	38,970	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water			0	11

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)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
TAX LEVY	140,896	0	140,896 12
CONTRIBUTIONS	0	123,818	123,818 13
Total (Acct. 421):	140,896	123,818	264,714
TOTAL OTHER INCOME:	179,866	123,818	303,684

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
NONE	0	0	0 14
Total (Acct. 425):	0	0	0
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	██████████	55,407	55,407 15
NONE	0	0	0 16
Total (Acct. 426):	0	55,407	55,407
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	0	55,407	55,407

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	71,298	██████████	71,298 17
Total (Acct. 427):	71,298	0	71,298
Amortization of Debt Discount and Expense (428):			
AMORTIZATION EXPENSE	9,632	██████████	9,632 18
Total (Acct. 428):	9,632	0	9,632
Amortization of Premium on Debt--Cr. (429):			
NONE	0	██████████	0 19
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0	██████████	0 20
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0	██████████	0 21
Total (Acct. 431):	0	0	0

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)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 22
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	80,930	0	80,930
NET INCOME:	246,748	68,411	315,159
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	163,778	0	163,778 23
Total (Acct. 216):	163,778	0	163,778
Balance Transferred from Income (433):			
Derived	246,748	68,411	315,159 24
Total (Acct. 433):	246,748	68,411	315,159
Miscellaneous Credits to Surplus (434):			
TO CLOSE OUT CIAC	0	5,317,663	5,317,663 25
Total (Acct. 434):	0	5,317,663	5,317,663
Miscellaneous Debits to Surplus--Debit (435):			
AUDIT ADJUSTMENT	5,753	0	5,753 26
Total (Acct. 435)--Debit:	5,753	0	5,753
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 27
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 28
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	404,773	5,386,074	5,790,847

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	451,417	0	0	0	451,417	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	451,417	0	0	0	451,417	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	9,728,112	9,212,899	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	2,286,317	1,274,860	2
Net Utility Plant	7,441,795	7,938,039	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	192,180	243,763	6
Special Funds (125)	0	0	7
Total Other Property and Investments	192,180	243,763	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	55,510	409,626	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	73,569	56,389	11
Other Accounts Receivable (143)	700	18,178	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	191,852	247,485	14
Materials and Supplies (150)	9,079	8,732	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	330,710	740,410	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	48,154	57,786	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	16,320	20
Total Deferred Debits	48,154	74,106	
Total Assets and Other Debits	8,012,839	8,996,318	

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)	489,235	489,235	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	5,790,847	163,778	23
Total Proprietary Capital	6,280,082	653,013	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	1,385,000	1,925,000	26
Total Long-Term Debt	1,385,000	1,925,000	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	1,351	0	28
Payables to Municipality (233)	86,067	2,439	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	14,000	19,100	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	101,418	21,539	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	86,639	86,639	35
Other Deferred Credits (253)	159,700	140,896	36
Total Deferred Credits	246,339	227,535	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	0	6,169,231	38
Total Liabilities and Other Credits	8,012,839	8,996,318	

NET UTILITY PLANT

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

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	9,212,899	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	4,513,711	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	4,983,523	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)	230,878				8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	9,728,112	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	1,379,342	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	906,975	0	0	0	12
Total Accumulated Provision	2,286,317	0	0	0	
Net Utility Plant	7,441,795	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	1,274,860				1,274,860	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	101,258				101,258	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	3,736				3,736	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage	128				128	10
Other credits (specify):						11
					0	12
Total credits	105,122	0	0	0	105,122	13
Debits during year						14
Book cost of plant retired	640				640	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	640	0	0	0	640	19
Balance end of year (110.1)	1,379,342	0	0	0	1,379,342	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.2):
 1. Report the amounts charged to Depreciation Expense (426).
 2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.2)					0	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	55,407				55,407	4
Accruals charged other						5
accounts (specify):						6
					0	7
Salvage					0	8
Other credits (specify):						9
Est. deprec on contrib plnt 1/1/03	851,568				851,568	10
Total credits	906,975	0	0	0	906,975	11
Debits during year						12
Book cost of plant retired	0				0	13
Cost of removal					0	14
Other debits (specify):						15
					0	16
Total debits	0	0	0	0	0	17
Balance end of year (110.2)	906,975	0	0	0	906,975	18
Composite Depreciation Rate?	No					19
If yes, what is the rate?						20

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

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

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

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

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

MATERIALS AND SUPPLIES

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

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0
Water utility	9,079	8,732
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	9,079	8,732

**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)				
1999 GO NOTES	9,632	428	48,154	1
Total			<u><u>48,154</u></u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u><u>0</u></u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	489,235	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>489,235</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)
-------------------------------------	------------------------------	------------------------------------	------------------------------	---

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)					
1999 GO NOTES PAYABLE	01/06/1999	10/01/2008	3.95%	1,385,000	1
Total for Account 224				<u>1,385,000</u>	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	11,919	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>11,919</u>	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	11,338	7
PSC Remainder Assessment	581	8
Other (explain):		
NONE		9
Total payments and other debits	<u>11,919</u>	
Balance end of year	<u><u>0</u></u>	

INTEREST ACCRUED (ACCT. 237)

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

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
1999 GO NOTES	19,100	71,298	76,398	14,000	3
Subtotal	19,100	71,298	76,398	14,000	
Notes Payable (231)					
TEMP LOANS	0			0	4
Subtotal	0	0	0	0	
Total	19,100	71,298	76,398	14,000	

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):		
SPECIAL ASSESSMENTS	192,180	2
Total (Acct. 124):	192,180	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	73,569	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	73,569	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
MISAPPROPRIATION RECEIVABLE	700	11
Total (Acct. 143):	700	
Receivables from Municipality (145):		
RECEIVABLE FROM MUNICIPALITY - FIRE PROTECTION	6,065	12
DUE FROM DISTRICT #2 - JOINT METERING & CAPITAL ITEMS	15,108	13
DELINQUENT ACCOUNTS RECEIVABLE PLACED ON TAX ROLL	10,979	14
TAX LEVY	159,700	15
Total (Acct. 145):	191,852	
Prepayments (165):		
NONE		16
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		17
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		18
Total (Acct. 183):	0	
Payables to Municipality (233):		
DUE TO TOWN FOR VARIOUS OPERATING ITEMS	86,067	19
Total (Acct. 233):	86,067	
Other Deferred Credits (253):		
TAX LEVY DEFERRED REVENUE	159,700	20
Total (Acct. 253):	159,700	

RETURN ON RATE BASE COMPUTATION

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

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (100.1)	3,778,689	0	0	0	3,778,689	1
Materials and Supplies	8,905	0	0	0	8,905	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	1,327,101	0	0	0	1,327,101	4
Customer Advances for Construction					0	5
NONE					0	6
Average Net Rate Base	2,460,493	0	0	0	2,460,493	
Net Operating Income	147,812	0	0	0	147,812	7
Net Operating Income as a percent of						
Average Net Rate Base	6.01%	N/A	N/A	N/A	6.01%	

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.

The District filed a for a simplified rate case on November 10, 2003.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Income Statement Account Details (Page F-02)

General footnotes

Account 435 - Miscellaneous Debits to Surplus - Amount represents an audit adjustment needed after submitting the 2002 annual report.

Signature Page (Page ii)

General footnotes

ACCOUNTANTS' COMPILATION REPORT

Town of Sheboygan Sanitary District #3
Sheboygan, Wisconsin

We have compiled, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, the balance sheets of the Town of Sheboygan Sanitary District #3, an enterprise fund of the Town of Sheboygan as of December 31, 2003 and 2002, and the related statements of income and retained earnings for the years then ended and the supplemental schedules as of and for the year ended December 31, 2003 in the accompanying prescribed form.

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

The financial statements and related supplemental schedules 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, these financial statements and schedules are not designed for those who are not informed about such differences.

VIRCHOW, KRAUSE & COMPANY, LLP

Madison, Wisconsin
March 9, 2004

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	6,169,231	0	0	0	0	6,169,231	1
Add credits during year:							
NONE						0	2
Deduct charges (specify):							
Closed January 1, 2003 per Docket 05-US-105	6,169,231					6,169,231	3
Balance End of Year	0	0	0	0	0	0	

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	428,426	388,797	1
Total Sales of Water	428,426	388,797	
Other Operating Revenues			
Forfeited Discounts (470)	2,544	932	2
Other Water Revenues (474)	20,447	18,090	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues	22,991	19,022	
Total Operating Revenues	451,417	407,819	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	85,099	79,013	5
General Operating Expenses (680-690)	105,329	105,055	6
Total Operation and Maintenance Expenses	190,428	184,068	
Other Operating Expenses			
Depreciation Expense (403)	101,258	152,887	7
Amortization Expense (404)	0	0	8
Taxes (408)	11,919	4,507	9
Total Other Operating Expenses	113,177	157,394	
Total Operating Expenses	303,605	341,462	
NET OPERATING INCOME	147,812	66,357	

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	1,265	83,226	245,660	4
Commercial	90	27,038	67,983	5
Industrial				6
Total Metered Sales to General Customers (461)	1,355	110,264	313,643	
Private Fire Protection Service (462)	0		0	7
Public Fire Protection Service (463)	1		114,020	8
Other Sales to Public Authorities (464)	5	135	763	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	1,361	110,399	428,426	

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)
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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)	114,020	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)	114,020	
Forfeited Discounts (470):		
Customer late payment charges	2,544	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	2,544	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	2,952	7
Other (specify): WATER TOWER LEASE AND OTHER WATER REVENUES	17,495	8
Total Other Water Revenues (474)	20,447	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
PLANT OPERATION AND MAINTENANCE EXPENSES			
Salaries and Wages (600)	41,705	42,697	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	9,195	13,870	3
Chemicals (630)	579	349	4
Supplies and Expenses (640)	17,537	13,146	5
Repairs of Water Plant (650)	14,835	7,375	6
Transportation Expenses (660)	1,248	1,576	7
Total Plant Operation and Maintenance Expenses	85,099	79,013	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	29,455	30,517	8
Office Supplies and Expenses (681)	18,618	10,792	9
Outside Services Employed (682)	26,302	40,474	10
Insurance Expense (684)	5,075	8,714	11
Employees Pensions and Benefits (686)	21,276	13,098	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	4,603	1,460	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	105,329	105,055	
Total Operation and Maintenance Expenses	190,428	184,068	

TAXES (ACCT. 408 - WATER)

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

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent			0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			0	2
Net property tax equivalent		0	0	
Social Security		11,338	4,077	3
PSC Remainder Assessment		581	430	4
Other (specify): NONE			0	5
Total tax expense		11,919	4,507	

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

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	14,000		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)	206,620		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	220,620	0	
PUMPING PLANT			
Land and Land Rights (320)	34,120	0	12
Structures and Improvements (321)	245,805		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	403,032		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	682,957	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

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)			14,000	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)			206,620	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	220,620	
PUMPING PLANT				
Land and Land Rights (320)			34,120	12
Structures and Improvements (321)			245,805	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			403,032	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	682,957	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
Total Water Treatment Plant	0	0	0	

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

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than 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			
Land and Land Rights (340)	16,650	22,000	24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	991,166		26
Transmission and Distribution Mains (343)	5,779,176	118,172	27
Fire Mains (344)	0		28
Services (345)	754,007		29
Meters (346)	121,246	7,189	30
Hydrants (348)	528,960	3,497	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	8,191,205	150,858	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	902		34
Office Furniture and Equipment (372)	21,760		35
Computer Equipment (372.1)	12,605		36
Transportation Equipment (373)	41,534		37
Other General Equipment (379)	41,316		38
Other Tangible Property (390)	0		39
Total General Plant	118,117	0	
Total utility plant in service directly assignable	9,212,899	150,858	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	9,212,899	150,858	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			38,650 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			991,166 26
Transmission and Distribution Mains (343)		(4,729,283)	1,168,065 27
Fire Mains (344)			0 28
Services (345)		(80,503)	673,504 29
Meters (346)	640		127,795 30
Hydrants (348)		(39,620)	492,837 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	640	(4,849,406)	3,492,017
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			902 34
Office Furniture and Equipment (372)			21,760 35
Computer Equipment (372.1)			12,605 36
Transportation Equipment (373)			41,534 37
Other General Equipment (379)			41,316 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	118,117
Total utility plant in service directly assignable	640	(4,849,406)	4,513,711
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	640	(4,849,406)	4,513,711

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

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than 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)			1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	<u>0</u>	<u>0</u>	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)			8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	<u>0</u>	<u>0</u>	
PUMPING PLANT			
Land and Land Rights (320)			12
Structures and Improvements (321)			13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)			17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)			20
Total Pumping Plant	<u>0</u>	<u>0</u>	
WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)			22
Water Treatment Equipment (332)			23
Total Water Treatment Plant	<u>0</u>	<u>0</u>	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

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)			0 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	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

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

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than 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			
Land and Land Rights (340)			24
Structures and Improvements (341)			25
Distribution Reservoirs and Standpipes (342)			26
Transmission and Distribution Mains (343)		82,086	27
Fire Mains (344)			28
Services (345)		30,793	29
Meters (346)			30
Hydrants (348)		21,238	31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	0	134,117	
GENERAL PLANT			
Land and Land Rights (370)			33
Structures and Improvements (371)			34
Office Furniture and Equipment (372)			35
Computer Equipment (372.1)			36
Transportation Equipment (373)			37
Other General Equipment (379)			38
Other Tangible Property (390)			39
Total General Plant	0	0	
Total utility plant in service directly assignable	0	134,117	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	0	134,117	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)		4,729,283	4,811,369 27
Fire Mains (344)			0 28
Services (345)		80,503	111,296 29
Meters (346)			0 30
Hydrants (348)		39,620	60,858 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	4,849,406	4,983,523
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	4,849,406	4,983,523
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	4,849,406	4,983,523

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

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

Sources of Water Supply					
Month	Purchased Water Gallons (000's)	Surface Water Gallons (000's)	Ground Water Gallons (000's)	Total Gallons All Methods (000's)	
(a)	(b)	(c)	(d)	(e)	
January			8,092	8,092	1
February			8,455	8,455	2
March			9,397	9,397	3
April			9,392	9,392	4
May			10,461	10,461	5
June			13,111	13,111	6
July			17,264	17,264	7
August			16,373	16,373	8
September			13,554	13,554	9
October			9,379	9,379	10
November			7,836	7,836	11
December			8,669	8,669	12
Total annual pumpage	0	0	131,983	131,983	
Less: Water sold				110,399	13
Volume pumped but not sold				21,584	14
Volume sold as a percent of volume pumped				84%	15
Volume used for water production, water quality and system maintenance				10,300	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				10,300	19
Volume pumped but unaccounted for				11,284	20
Percent of water lost				9%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss: na					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				915	23
Date of maximum: 7/27/2003					24
Cause of maximum: Hydrant flushing					25
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				75	26
Date of minimum: 11/14/2003					27
Total KWH used for pumping for the year				221,500	28
If water is purchased: Vendor Name: N/A					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)	
TOWN OF SHEBOYGAN	WELL #1	500	12	250,000	Yes	1
TOWN OF SHEBOYGAN	WELL #2	740	12	170,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	1	2	1
Location	WELL #1	WELL# 2	2
Purpose	P	P	3
Destination	D	D	4
Pump Manufacturer	SIMMONS	LAYNE	5
Year Installed	1999	1995	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	490	420	8
Pump Motor or Standby Engine Mfr	US MOTOR	US MOTOR	9 10
Year Installed	1999	1995	11
Type	ELECTRIC	ELECTRIC	12
Horsepower	75	40	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	1	2	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET	ET	3
Year constructed	1987	1995	4
Primary material (earthen, steel, concrete, other)	STEEL	STEEL	5
Elevation difference in feet (See Headnote 3.)	160	172	6
Total capacity in gallons (actual)	200,000	300,000	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

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)	
P	D	6.000	8,888	0	0	0	8,888	1
P	D	8.000	75,297	0	0	0	75,297	2
P	D	10.000	0	1,943	0	0	1,943	3
P	D	12.000	89,376	0	0	0	89,376	4
P	D	15.000	590	0	0	0	590	5
Total Within Municipality			174,151	1,943	0	0	176,094	
Total Utility			174,151	1,943	0	0	176,094	

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)	
P	0.625	994	0	0	0	994	54	1
P	1.000	18	0	0	0	18	0	2
P	1.500	23	0	0	0	23		3
P	2.000	10	8	0	0	18	1	4
P	3.000	4	0	0	0	4	3	5
Total Utility		1,049	8	0	0	1,057	58	

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	1,250	74	10	0	1,314	10	1
1.000	11	1	0	0	12	0	2
1.500	30	0	0	0	30	0	3
2.000	13	0	0	0	13	0	4
3.000	6	0	0	0	6	0	5
Total:	1,310	75	10	0	1,375	10	

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	1,259	42	0	3	0	10	1,314	1
1.000	2	10	0	0	0	0	12	2
1.500	1	26	0	2	0	1	30	3
2.000	0	11	0	1	0	1	13	4
3.000	0	2	0	0	0	4	6	5
Total:	1,262	91	0	6	0	16	1,375	

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	374	11			385	2
Total Fire Hydrants	374	11	0	0	385	
Flushing Hydrants						
	1				1	3
Total Flushing Hydrants	1	0	0	0	1	

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:	397
Number of distribution system valves end of year:	941
Number of distribution valves operated during year:	420

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

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

Account 682 - Decrease due to prior year having more activity due to easement contracts.

Account 620 - Power costs were higher in prior year.

Account 689 - Increase due to more miscellaneous expenses in 2003 compared to 2002.

Account 650 - Increase due to more water repairs in 2003 than in 2002.

Account 686 - Increase due to an employee's health insurance and retirement being paid for by the utility, which it hasn't been in the past.

Account 640 - Increase due to more maintenance requirements this year compared to prior year.

Account 681 - Increase due to more services this year for support fees compared to prior year.

Account 684 - Decrease due to a refund given to the utility; they also switched insurance companies in 2003.

Water Utility Plant in Service --Plant Financed by Utility or Municipality-- (Page W-08)

If Additions for Accounts OTHER than 316, 343, 345, 346 and 348 exceed \$10,000, please explain. If applicable, provide construction authorization.

Account 340 - Additions were for easements acquired by the utility for a looping project.

If Adjustments for any account are nonzero, please explain.

Accounts 348, 345, and 343 - These adjustments were to create segregated plant accounts for contributed assets and to establish beginning balances as of 1/1/2003 per PSC order.

Water Utility Plant in Service --Plant Financed by Contributions-- (Page W-10)

If Adjustments for any account are nonzero, please explain.

Account 343, 348, and 345 - These adjustments were to create segregated plant accounts for contributed assets and to establish beginning balances as of 1/1/2003 per PSC order.

Water Mains (Page W-17)

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

Water mains were financed by the utility and developers.

Water Services (Page W-18)

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

Service additions were financed by developers.
