



3015 (02-09-04)

ANNUAL REPORT

OF

Name: TOWN OF CALEDONIA - WATER UTILITY - DISTRICT NO. 1

Principal Office: 6922 NICHOLSON ROAD
CALEDONIA, WI 53108

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.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: TOWN OF CALEDONIA - WATER UTILITY - DISTRICT NO. 1

Utility Address: 6922 NICHOLSON ROAD
CALEDONIA, WI 53108

When was utility organized? 1/1/1963

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: ROBERT LUI

Title: FIELD SUPERVISOR

Office Address:

6922 NICHOLSON ROAD
CALEDONIA, WI 53108

Telephone: (262) 835 - 6421

Fax Number: (262) 835 - 2388

E-mail Address:

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

Name: JOHN KNEPEL

Title: PARTNER

Office Address: VIRCHOW, KRAUSE & COMPANY, LLP

115 SOUTH 84TH STREET, SUITE 400
MILWAUKEE, WI 53214

Telephone: (414) 777 - 5500 EXT 5359

Fax Number: (414) 777 - 5555

E-mail Address: jknepel@virchowkrause.com

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

Name: RONALD KELAND

Title: PRESIDENT OF COMMISSION

Office Address:

6922 NICHOLSON ROAD
CALEDONIA, WI 53108

Telephone: (262) 835 - 6421

Fax Number: (262) 835 - 2388

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: JOHN KNEPEL

Title: PARTNER

Office Address: VIRCHOW, KRAUSE & COMPANY, LLP
115 SOUTH 84TH STREET, SUITE 400
MILWAUKEE, WI 53214

Telephone: (414) 777 - 5500 EXT 5359

Fax Number: (414) 777 - 5555

E-mail Address: jknepel@virchowkrause.com

Date of most recent audit report: 2/21/2003

Period covered by most recent audit: JANUARY 1, 2002 - DECEMBER 31, 2002

Names and titles of utility management including manager or superintendent:

Name: MR ROBERT LUI

Title: FIELD SUPERVISOR

Office Address:
6922 NICHOLSON ROAD
CALEDONIA, WI 53108

Telephone: (262) 835 - 6421

Fax Number: (262) 835 - 2388

E-mail Address:

Name of utility commission/committee:

Names of members of utility commission/committee:

- DR JOHN FRITSCHKE, COMMISSIONER
- MR RONALD KELAND, PRESIDENT
- MR J. FELIX MCCAULEY, COMMISSIONER
- MR ROBERT WITTKE, SECRETARY
- MR WAYNE WORDEN, COMMISSIONER

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)	598,745	530,195	1
Operating Expenses:			
Operation and Maintenance Expense (401)	410,912	366,593	2
Depreciation Expense (403)	200,868	149,783	3
Amortization Expense (404)	38,462	38,462	4
Taxes (408)	4,779	3,987	5
Total Operating Expenses	655,021	558,825	
Net Operating Income	(56,276)	(28,630)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(56,276)	(28,630)	
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)	132,165	218,115	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	132,165	218,115	
Total Income	75,889	189,485	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	75,889	189,485	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	323,068	357,054	13
Amortization of Debt Discount and Expense (428)	21,079	21,086	14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	3,386	4,192	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	347,533	382,332	
Net Income	(271,644)	(192,847)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	809,144	(95,132)	19
Balance Transferred from Income (433)	(271,644)	(192,847)	20
Miscellaneous Credits to Surplus (434)	264,949	1,097,123	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	802,449	809,144	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
 2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INVESTMENT INCOME	14,817	4
SPECIAL ASSESSMENT INTEREST	117,348	5
Total (Acct. 419):	132,165	
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):		
TAXES LEVIED FOR OPERATIONS	264,949	9
Total (Acct. 434):	264,949	
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	598,745	0	0	0	598,745	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	598,745	0	0	0	598,745	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	13,007,571	11,290,847	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	627,576	464,261	2
Net Utility Plant	12,379,995	10,826,586	
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)	3,207,303	2,940,236	6
Special Funds (125)	0	0	7
Total Other Property and Investments	3,207,303	2,940,236	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	568,691	1,453,063	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	93,989	84,588	11
Other Accounts Receivable (143)	83,342	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	1,037,421	1,258,997	14
Materials and Supplies (150)	0	0	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	1,783,443	2,796,648	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	97,462	118,541	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	115,386	153,847	20
Total Deferred Debits	212,848	272,388	
Total Assets and Other Debits	17,583,589	16,835,858	

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)	0	0	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	802,449	809,144	23
Total Proprietary Capital	802,449	809,144	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	68,478	85,597	25
Other long-Term Debt (224)	7,026,000	7,780,000	26
Total Long-Term Debt	7,094,478	7,865,597	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	225,493	134,000	28
Payables to Municipality (233)	230,427	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	45,017	50,747	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	500,937	184,747	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	276,621	194,029	35
Other Deferred Credits (253)	500,801	746,201	36
Total Deferred Credits	777,422	940,230	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	8,408,303	7,036,140	38
Total Liabilities and Other Credits	17,583,589	16,835,858	

NET UTILITY PLANT

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

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	11,252,426	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)	1,755,145				6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	13,007,571	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	627,576	0	0	0	9
Total Accumulated Provision	627,576	0	0	0	
Net Utility Plant	12,379,995	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT (ACCT. 110)

Depreciation Accruals (Credits) during the year:

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

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	464,261				464,261	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	200,868				200,868	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage	2,847				2,847	10
Other credits (specify):						11
					0	12
Total credits	203,715	0	0	0	203,715	13
Debits during year						14
Book cost of plant retired	40,400				40,400	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	40,400	0	0	0	40,400	19
Balance End of Year	627,576	0	0	0	627,576	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	1.53%					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 for generation					0	0 1
Other					0	0 2
Total Electric Utility					0	0

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility		0 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	0	0

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

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

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
1998 DEBT DISCOUNT	13,401	428	43,716	1
1999 DEBT DISCOUNT	7,678	428	53,746	2
Total			97,462	
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	0 1
Changes during year (explain):	2
Balance end of year	<u>0</u>

BONDS (ACCT. 221)

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

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
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NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances (223)					
ADVANCE FROM TOWN	01/01/1996	03/15/2006	4.70%	68,478	1
Total for Account 223				68,478	
Other Long-Term Debt (224)					
GENERAL OBLIGATION NOTES	03/01/2002	04/01/2010	2.00%	231,000	2
GENERAL OBLIGATION REFUNDING BONDS	12/01/1998	06/01/2016	4.00%	2,845,000	3
GENERAL OBLIGATION NOTES	11/09/1999	05/01/2009	4.50%	3,950,000	4
Total for Account 224				7,026,000	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	4,779	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>4,779</u>	
Taxes paid during year:		
County, state and local taxes	4,013	6
Social Security taxes	766	7
PSC Remainder Assessment		8
Other (explain):		
NONE		9
Total payments and other debits	<u>4,779</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)					
ADVANCES TO MUNICIPALITY	3,185	3,386	4,023	2,548	2
Subtotal	3,185	3,386	4,023	2,548	
Other long-Term Debt (224)					
GENERAL OBLIGATION NOTES	37,741	205,624	210,303	33,062	3
GENERAL OBLIGATION REFUNDING BONDS	9,821	117,444	117,858	9,407	4
Subtotal	47,562	323,068	328,161	42,469	
Notes Payable (231)					
NONE	0			0	5
Subtotal	0	0	0	0	
Total	50,747	326,454	332,184	45,017	

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	7,036,140	0	0	0	0	7,036,140	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
SPECIAL ASSESSMENTS LEVIES	1,171,707					1,171,707	4
DEVELOPER CONTRIBUTIONS	200,456					200,456	5
Deduct charges (specify):							
NONE						0	6
Balance End of Year	8,408,303	0	0	0	0	8,408,303	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	7

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	3,207,303	2
Total (Acct. 124):	3,207,303	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	93,989	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	93,989	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
OVERPAYMENT TO CONTRACTOR	83,342	11
Total (Acct. 143):	83,342	
Receivables from Municipality (145):		
DELINQUENT ACCOUNTS ON TAX ROLL	34,339	12
SPECIAL ASSESSMENTS ON TAX ROLL	529,674	13
SUBSEQUENT YEARS TAX LEVY	473,408	14
Total (Acct. 145):	1,037,421	
Prepayments (165):		
NONE		15
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		16
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Other Deferred Debits (183):		
UNAMORTIZED CONSTRUCTION COSTS - PSC AUTHORIZED (6/19/01)	115,386	17
Total (Acct. 183):	115,386	
Payables to Municipality (233):		
AMOUNT DUE SEWER UTILITY FOR WATER PROJECT	230,427	18
Total (Acct. 233):	230,427	
Other Deferred Credits (253):		
SUBSEQUENT YEARS TAX LEVY	473,408	19
DEFERRED SPECIAL ASSESSMENTS	27,393	20
Total (Acct. 253):	500,801	

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	11,159,504	0	0	0	11,159,504	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):						0
						3
Less Average:						
Reserve for Depreciation	545,918	0	0	0	545,918	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	7,722,221	0	0	0	7,722,221	6
Other (specify):						0
						7
Average Net Rate Base	2,891,365	0	0	0	2,891,365	
Net Operating Income	(56,276)	0	0	0	(56,276)	8
Net Operating Income as a percent of Average Net Rate Base						
	-1.95%	N/A	N/A	N/A	-1.95%	

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	0	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	805,796	3
Other (Specify):		4
Total Average Proprietary Capital	805,796	
Net Income		
Net Income	(271,644)	5
Percent Return on Proprietary Capital	-33.71%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

ACCOUNTANTS' COMPILATION REPORT

Town Board
Town of Caledonia
Racine County, Wisconsin

We have compiled the accompanying PSC Report of the Town of Caledonia Water Utility District No. 1, an enterprise fund of the Town of Caledonia, as of December 31, 2002 and 2001 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the 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 generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Milwaukee, Wisconsin
February 21, 2003

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

no response; review 2003
September 18, 2003

Mr. Robert Lui, Field Supervisor
Town of Caledonia SD
6922 Nicholson Road
Caledonia, WI 53108-

2002 Analytical Review DWCCA-0900-ELE

Dear Mr. Lui:

The Public Service Commission (Commission) staff has completed its analytical review of your utility's 2002 annual report. The primary purpose of the analytical review is to detect possible reporting or accounting related errors and also to identify significant fluctuations from prior years' data that are not sufficiently explained in the annual report. The analytical review did identify the following issues:

1. On Page F-4, an amount is reported in Account 434 reported as "TAXES LEVIED FOR OPERATIONS". Please furnish a more detailed explanation of this amount.
2. On Pages W-15 and W-16, footnotes indicate that mains and services were financed by developer contributions. Please explain why contributions are not reported in Account 271 on Page F-17.
3. A footnote on Page W-16 indicates that there are more services in use than meters in use because "there is no mandatory hookup required." The footnote appears to indicate that some of the services reported in column g are not hooked up. Services that are not hooked up are not in use and should be reported in column h on Page W-16. Please provide a revised count of services not in use for Page W-16, or otherwise explain why there are more services reported in use than meters reported in use.
4. On Page W-17, your 8-inch meter is classified as commercial, but was not tested in 2002. Meters 6-inches and larger in use are to be tested annually. Please confirm that your 8-inch meter has been tested in 2003 or otherwise explain this matter.

Responding to the questions posed from the analytical review does not preclude you from possibly receiving other inquiries from our office regarding your annual report in the future: for instance, during a rate case, construction authorization, or other Commission reviews.

We appreciate your cooperation in providing the above information. If you have any questions, please feel free to contact me at (608) 266-3768.

FINANCIAL SECTION FOOTNOTES

Please respond within 30 days of this letter. We prefer that you respond by e-mail if it is convenient for you to do so. My e-mail address is elaine.engelke@psc.state.wi.us. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

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

ELE: :w:\compl\Analytical Reviews\2002 analytical review letters\0900
Caledonia.doc

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	595,366	1
Total Sales of Water	595,366	
Other Operating Revenues		
Forfeited Discounts (470)	3,379	2
Other Water Revenues (474)	0	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	3,379	
Total Operating Revenues	598,745	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	312,155	5
General Operating Expenses (680-690)	98,757	6
Total Operation and Maintenance Expenses	410,912	
Other Operating Expenses		
Depreciation Expense (403)	200,868	7
Amortization Expense (404)	38,462	8
Taxes (408)	4,779	9
Total Other Operating Expenses	244,109	
Total Operating Expenses	655,021	
NET OPERATING INCOME	(56,276)	

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	1	768	1,921	2
Industrial				3
Total Unmetered Sales to General Customers (460)	1	768	1,921	
Metered Sales to General Customers (461)				
Residential	1,317	93,870	299,475	4
Commercial	75	40,140	100,519	5
Industrial	16	8,918	21,022	6
Total Metered Sales to General Customers (461)	1,408	142,928	421,016	
Private Fire Protection Service (462)	23		8,621	7
Public Fire Protection Service (463)	1		163,808	8
Other Sales to Public Authorities (464)				9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	1,433	143,696	595,366	

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)	163,808	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)	163,808	
Forfeited Discounts (470):		
Customer late payment charges	1,512	5
Other (specify):		
SPECIAL ASSESSMENT LETTERS	1,867	6
Total Forfeited Discounts (470)	3,379	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		7
Other (specify):		
NONE		8
Total Other Water Revenues (474)	0	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

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

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	52,309	1
Purchased Water (610)	209,910	2
Fuel or Power Purchased for Pumping (620)		3
Chemicals (630)		4
Supplies and Expenses (640)	643	5
Repairs of Water Plant (650)	46,579	6
Transportation Expenses (660)	2,714	7
Total Plant Operation and Maintenance Expenses	312,155	
 GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	16,230	8
Office Supplies and Expenses (681)	3,497	9
Outside Services Employed (682)	43,953	10
Insurance Expense (684)	8,994	11
Employees Pensions and Benefits (686)	19,131	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	6,952	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	98,757	
 Total Operation and Maintenance Expenses	 410,912	

TAXES (ACCT. 408 - WATER)

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

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent			1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security		4,013	3
PSC Remainder Assessment		766	4
Other (specify): NONE			5
Total tax expense		4,779	

WATER UTILITY PLANT IN SERVICE

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)
INTANGIBLE PLANT		
Organization (301)	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)	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
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)	333,769	17
Diesel Pumping Equipment (326)	0	18
Hydraulic Pumping Equipment (327)	0	19
Other Pumping Equipment (328)	0	20
Total Pumping Plant	333,769	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
TRANSMISSION AND DISTRIBUTION PLANT		
Land and Land Rights (340)	0	24
Structures and Improvements (341)	0	25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			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)			333,769 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	333,769
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
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25

WATER UTILITY PLANT IN SERVICE

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	965,493	8,119	26
Transmission and Distribution Mains (343)	7,411,975	103,872	27
Fire Mains (344)	0		28
Services (345)	1,297,615	33,454	29
Meters (346)	133,820	46,936	30
Hydrants (348)	800,990	22,475	31
Other Transmission and Distribution Plant (349)	43,564		32
Total Transmission and Distribution Plant	10,653,457	214,856	
GENERAL PLANT			
Land and Land Rights (370)	17,109		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	240		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	23,293	11,387	37
Other General Equipment (379)	38,715		38
Other Tangible Property (390)	0		39
Total General Plant	79,357	11,387	
Total utility plant in service directly assignable	11,066,583	226,243	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	11,066,583	226,243	

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)			973,612 26
Transmission and Distribution Mains (343)			7,515,847 27
Fire Mains (344)			0 28
Services (345)			1,331,069 29
Meters (346)	30,000		150,756 30
Hydrants (348)			823,465 31
Other Transmission and Distribution Plant (349)			43,564 32
Total Transmission and Distribution Plant	30,000	0	10,838,313
GENERAL PLANT			
Land and Land Rights (370)			17,109 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			240 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)	10,400		24,280 37
Other General Equipment (379)			38,715 38
Other Tangible Property (390)			0 39
Total General Plant	10,400	0	80,344
Total utility plant in service directly assignable	40,400	0	11,252,426
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	40,400	0	11,252,426

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

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

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January				0	1
February				0	2
March	46,203			46,203	3
April				0	4
May				0	5
June	56,711			56,711	6
July				0	7
August				0	8
September	78,211			78,211	9
October				0	10
November				0	11
December	54,009			54,009	12
Total annual pumpage	235,134	0	0	235,134	
Less: Water sold				143,696	13
Volume pumped but not sold				91,438	14
Volume sold as a percent of volume pumped				61%	15
Volume used for water production, water quality and system maintenance				41,393	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				41,393	19
Volume pumped but unaccounted for				50,045	20
Percent of water lost				21%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				890	23
Date of maximum: 6/24/2002					24
Cause of maximum:					25
Refill water tower after inspection.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				364	26
Date of minimum: 1/12/2002					27
Total KWH used for pumping for the year				23,620	28
If water is purchased: Vendor Name: RACINE WATER UTILITY					29
Point of Delivery: (SEE FOOTNOTE)					30

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)
-------------------------	--	----------------------------------	--	---	--

NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

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

PUMPING & POWER EQUIPMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	BOOSTER STATION		1
Location	7822 DUNKELOW ROAD		2
Purpose	P		3
Destination	R		4
Pump Manufacturer	AURORA PENTAIR GROUP		5
Year Installed	2001		6
Type	CENTRIFUGAL		7
Actual Capacity (gpm)	2,800		8
Pump Motor or Standby Engine Mfr	MARATHON MOTORS		10
Year Installed	2001		11
Type	ELECTRIC		12
Horsepower	60		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			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	4101 NICHOLSON ROAD		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		3
Year constructed	2001		4
Primary material (earthen, steel, concrete, other)	STEEL		5
Elevation difference in feet (See Headnote 3.)	121		6
Total capacity in gallons (actual)	750,000		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	6.000	17,221	0	0	0	17,221	1
P	D	6.000	45	0	0	0	45	2
M	D	8.000	11,950	0	0	0	11,950	3
P	D	8.000	42,346	1,570	0	0	43,916	4
M	T	12.000	20,525	0	0	0	20,525	5
P	T	12.000	35,704	1,214	0	0	36,918	6
P	T	16.000	3,115	0	0	0	3,115	7
P	T	20.000	11,942	0	0	0	11,942	8
M	T	24.000	2,342	0	0	0	2,342	9
P	T	24.000	7,419	0	0	0	7,419	10
Total Within Municipality			152,609	2,784	0	0	155,393	
Total Utility			152,609	2,784	0	0	155,393	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	399	0	0	0	399	5	1
M	1.000	1,041	168	0	0	1,209	55	2
M	1.250	7	0	0	0	7		3
M	1.500	121	6	0	0	127		4
M	2.000	5	1	0	0	6		5
M	4.000	11	0	0	0	11		6
M	6.000	18	3	0	0	21		7
M	8.000	3	0	0	0	3		8
M	10.000	1	0	0	0	1		9
M	12.000	2	0	0	0	2		10
Total Utility		1,608	178	0	0	1,786	60	

METERS

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

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.750	1,244	169	102	114	1,425	102	1
1.000	8	4	0	0	12	0	2
1.500	44	1	0	0	45	0	3
2.000	11	0	0	0	11	0	4
3.000	0	0	0	0	0	0	5
4.000	1	0	0	0	1	0	6
8.000	1	0	0	0	1	0	7
Total:	1,309	174	102	114	1,495	102	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.750	1,379	18	4	0	0	24	1,425	1
1.000	0	10	0	0	0	2	12	2
1.500	0	45	0	0	0	0	45	3
2.000	0	8	3	0	0	0	11	4
3.000	0	0	0	0	0	0	0	5
4.000	0	1	0	0	0	0	1	6
8.000	0	1	0	0	0	0	1	7
Total:	1,379	83	7	0	0	26	1,495	

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	352	36			388	2
Total Fire Hydrants	352	36	0	0	388	
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:	327
Number of distribution system valves end of year:	71
Number of distribution valves operated during year:	60

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

A/C#620 - The utility purchases water from Racine Water Utility and consequently incurs no significant cost for power purchased for pumping.

A/C#686 - The utility experiences a significant increase in health insurance costs from 2001 to 2002 plus 2 employees changed their coverage from single to family during 2002.

Water Utility Plant in Service (Page W-08)

A/C#342 - The \$8,119 represents additional capital costs related to the new water tower capitalized in a prior year.

A/C#373 - The \$11,387 represents 1/2 of the cost of a new van shared with the Sewer Utility acquired in 2002. The \$10,400 represents 1/2 of the cost of a van traded in.

Water Mains (Page W-15)

Watermains added during the year were financed by developer contributions and borrowed funds.

Water Services (Page W-16)

Services added during the year were financed by developer contributions and borrowed funds.

There are significantly more water services in use than meters in use because there is no mandatory hookup required. This was a decision made by the Town Board.

Meters (Page W-17)

The adjustment of 114 meters is to adjust the counts to detail records.
