



3015 (02-09-04)

ANNUAL REPORT

OF

Name: CITY OF HURLEY WATER UTILITY

Principal Office: 405 FIFTH AVENUE NORTH
HURLEY, WI 54534-1178

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.

SIGNATURE PAGE

I LINDA RYSKEWECZ of
(Person responsible for accounts)

CITY OF HURLEY WATER UTILITY, certify that I
(Utility Name)

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

(Signature of person responsible for accounts) 04/26/2004
(Date)

CLERK-TREASURER
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CITY OF HURLEY WATER UTILITY

Utility Address: 405 FIFTH AVENUE NORTH
HURLEY, WI 54534-1178

When was utility organized? 6/1/1933

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: LINDA RYSKEWECZ

Title: CLERK TREASURER

Office Address:

405 FIFTH AVENUE NORTH
HURLEY, WI 54534-1178

Telephone: (715) 561 - 4715

Fax Number: (715) 561 - 2354

E-mail Address: hrlyclrk@portup.com

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

Name: DAVID TRACZYK

Title: OWNER

Office Address: DAVID TRACZYK CPA

327 SILVER ST
HURLEY, WI 54534-1255

Telephone: (715) 561 - 3299

Fax Number: (715) 561 - 4099

E-mail Address: bkkg@charterinternet.com

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

Name: JOSEPH PINARDI

Title: MAYOR

Office Address:

405 5TH AVE NORTH
HURLEY, WI 54534

Telephone: (715) 561 - 4715 EXT

Fax Number: (715) 561 - 3254 EXT

E-mail Address: hrlyclrk@portup.com

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: DAVID TRACZYK

Title: OWNER

Office Address: DAVID TRACZYK CPA

327 SILVER ST

HURLEY, WI 54534-1255

Telephone: (715) 561 - 3299

Fax Number: (715) 561 - 4099

E-mail Address: bkkkg@charterinternet.com

Date of most recent audit report: 6/24/2003

Period covered by most recent audit: 2002

Names and titles of utility management including manager or superintendent:

Name: DAVID LEVRA

Title: SUPERINTENDENT

Office Address:

405 FIFTH AVENUE NORTH

HURLEY, WI 54534-1178

Telephone: (715) 561 - 4715

Fax Number: (715) 561 - 2354

E-mail Address:

Name: JOSEPH PINARDI

Title: MAYOR

Office Address:

405 FIFTH AVENUE NORTH

HURLEY, WI 54534-1178

Telephone: (715) 561 - 4715

Fax Number: (715) 561 - 2354

E-mail Address: hrlyclrk@portup.com

Name: LINDA RYSKEWECZ

Title: CLERK TREASURER

Office Address:

405 FIFTH AVENUE NORTH

HURLEY, WI 54534-1178

Telephone: (715) 561 - 4715

Fax Number: (715) 561 - 2354

E-mail Address: hrlyclrk@portup.com

Name of utility commission/committee: PUBLIC WORKS

Names of members of utility commission/committee:

BOB KALLAS

CHAR MUSSATTI

IDENTIFICATION AND OWNERSHIP

Is sewer service rendered by the utility?

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: [REDACTED]

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

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

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	354,694	356,025	1
Operating Expenses:			
Operation and Maintenance Expense (401)	404,831	348,251	2
Depreciation Expense (403)	21,835	36,272	3
Amortization Expense (404)	0	0	4
Taxes (408)	52,041	51,567	5
Total Operating Expenses	478,707	436,090	
Net Operating Income	(124,013)	(80,065)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(124,013)	(80,065)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	2,293	282	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	0	332	9
Miscellaneous Nonoperating Income (421)	45,757	30,000	10
Total Other Income	48,050	30,614	
Total Income	(75,963)	(49,451)	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	16,372	0	12
Total Miscellaneous Income Deductions	16,372	0	
Income Before Interest Charges	(92,335)	(49,451)	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	13
Amortization of Debt Discount and Expense (428)	0		14
Amortization of Premium on Debt--Cr. (429)	0		15
Interest on Debt to Municipality (430)	6,069	6,908	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0		18
Total Interest Charges	6,069	6,908	
Net Income	(98,404)	(56,359)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	(74,137)	(17,778)	19
Balance Transferred from Income (433)	(98,404)	(56,359)	20
Miscellaneous Credits to Surplus (434)	856,871	0	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	24
Total Unappropriated Earned Surplus End of Year (216)	684,330	(74,137)	

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	354,694		354,694	1
Total (Acct. 400):	354,694	0	354,694	
Operation and Maintenance Expense (401):				
Derived	404,831		404,831	2
Total (Acct. 401):	404,831	0	404,831	
Depreciation Expense (403):				
Derived	21,835		21,835	3
Total (Acct. 403):	21,835	0	21,835	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	52,041		52,041	5
Total (Acct. 408):	52,041	0	52,041	
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:	(124,013)	0	(124,013)	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	2,293		2,293	8
Total (Acct. 415-416):	2,293	0	2,293	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
NONE	0	0	0	10
Total (Acct. 419):	0	0	0	
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):			
OPERATING TRANSFERS FROM GENERAL FUND	45,757	0	45,757 12
Total (Acct. 421):	45,757	0	45,757
TOTAL OTHER INCOME:	48,050	0	48,050

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
NONE	0	0	0 13
Total (Acct. 425):	0	0	0
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	[REDACTED]	16,372	16,372 14
NONE	0	0	0 15
Total (Acct. 426):	0	16,372	16,372
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	0	16,372	16,372

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	0	[REDACTED]	0 16
Total (Acct. 427):	0	0	0
Amortization of Debt Discount and Expense (428):			
NONE	0	[REDACTED]	0 17
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0	[REDACTED]	0 18
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	6,069	[REDACTED]	6,069 19
Total (Acct. 430):	6,069	0	6,069
Other Interest Expense (431):			
Derived	0	[REDACTED]	0 20
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 21
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	6,069	0	6,069
NET INCOME:	(82,032)	(16,372)	(98,404)
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	(74,137)	0	(74,137) 22
Total (Acct. 216):	(74,137)	0	(74,137)
Balance Transferred from Income (433):			
Derived	(82,032)	(16,372)	(98,404) 23
Total (Acct. 433):	(82,032)	(16,372)	(98,404)
Miscellaneous Credits to Surplus (434):			
FROM CONTRIBUTED CAPITAL 1/1/03	0	856,871	856,871 24
Total (Acct. 434):	0	856,871	856,871
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 25
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 26
Total (Acct. 436)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	(156,169)	840,499	684,330

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

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)	2,293				2,293	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)	2,293	0	0	0	2,293	

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	354,694	0	0	0	354,694	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	354,694	0	0	0	354,694	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,239,180	2,150,445	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	644,413	411,478	2
Net Utility Plant	1,594,767	1,738,967	
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)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	0	0	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	5,426	12,126	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	12,871	15,116	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	60,517	56,042	14
Materials and Supplies (150)	33,696	30,424	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	112,510	113,708	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	1,707,277	1,852,675	

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)	651,148	651,148	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	684,330	(74,137)	23
Total Proprietary Capital	1,335,478	577,011	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	195,435	120,361	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	195,435	120,361	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	1,260	505	28
Payables to Municipality (233)	126,016	45,099	29
Customer Deposits (235)			30
Taxes Accrued (236)	48,207	49,088	31
Interest Accrued (237)	881	985	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	176,364	95,677	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	0	1,059,626	38
Total Liabilities and Other Credits	1,707,277	1,852,675	

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	2,150,445	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)	1,179,554	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	1,059,626	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)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	2,239,180	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)	425,286	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	219,127	0	0	0	12
Total Accumulated Provision	644,413	0	0	0	
Net Utility Plant	1,594,767	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)	411,478				411,478	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	21,835				21,835	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,933				1,933	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	23,768	0	0	0	23,768	13
Debits during year						14
Book cost of plant retired	9,960				9,960	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	9,960	0	0	0	9,960	19
Balance end of year (110.1)	425,286	0	0	0	425,286	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)	16,372				16,372	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	202,755				202,755	10
Total credits	219,127	0	0	0	219,127	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)	219,127	0	0	0	219,127	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	33,696	30,424
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	33,696	30,424

**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)				1
Total			0	
Unamortized premium on debt (251)				2
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	651,148	1
Changes during year (explain):		2
Balance end of year	<u><u>651,148</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)	
Advances (223)					
BANK NOTE TO BE REFINANCED	05/14/2003	05/13/2004	3.25%	88,897	1
BANK NOTE	10/24/2002	11/20/2005	4.25%	106,538	2
Total for Account 223				195,435	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	49,088	1
Accruals:		
Charged water department expense	52,041	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>52,041</u>	
Taxes paid during year:		
County, state and local taxes	48,344	6
Social Security taxes	4,180	7
PSC Remainder Assessment	398	8
Other (explain):		
NONE		9
Total payments and other debits	<u>52,922</u>	
Balance end of year	<u><u>48,207</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)					
BANK NOTES	985	6,069	6,173	881	2
Subtotal	985	6,069	6,173	881	
Other long-Term Debt (224)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	985	6,069	6,173	881	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	12,871	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	12,871	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
DUE FROM SEWER FUND METER COSTS	60,517	12
Total (Acct. 145):	60,517	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	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)	
Payables to Municipality (233):		
DUE TO GENERAL FUND PLIT AND FRINGE BENEFITS	126,016	16
Total (Acct. 233):	126,016	
Other Deferred Credits (253):		
NONE		17
Total (Acct. 253):		0

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include 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)	1,135,186	0	0	0	1,135,186	1
Materials and Supplies	32,060	0	0	0	32,060	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation (110.1)	418,382	0	0	0	418,382	4
Customer Advances for Construction					0	5
					0	6
Average Net Rate Base	748,864	0	0	0	748,864	
Net Operating Income	(124,013)	0	0	0	(124,013)	7
Net Operating Income as a percent of Average Net Rate Base	-16.56%	N/A	N/A	N/A	-16.56%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

The utility added 1,200' of main and 3 hydrants, paid by the utility

4. Estimated changes in revenues due to rate changes.

Revenues will increase in 2004.

5. Obligations incurred or assumed, excluding commercial paper.

Borrowed \$88,897 fro main extensions. Additional funds are expected to be borrowed in 2004 and the note is expected to be refinanced

6. Formal proceedings with the Public Service Commission.

Rate hearing was held and incresases were approved in March and April of 2004.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

General footnotes

DAVID TRACZYK
Certified Public Accountant
327 Silver Street
Hurley, Wisconsin 54534

Board of Commissioners
Hurley Water Utility
Hurley, Wisconsin

1. I have compiled the accompanying balance sheets, statements of income and retained earnings, and statistical data of the Hurley Water Utility for the years ended December 31, 2003 and 2002, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants .

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

April 23, 2004

2. Account 415, income from merchandising, jobbing and contract work increased with the replacement of several service laterals.

3. Account 421, the city provided funds to help the utility pay expenses.

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	1,059,626	0	0	0	0	1,059,626	1
Add credits during year:							
NONE						0	2
Deduct charges (specify):							
Closed January 1, 2003 per Docket 05-US-105	1,059,626					1,059,626	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)	351,144	352,134	1
Total Sales of Water	351,144	352,134	
Other Operating Revenues			
Forfeited Discounts (470)	1,751	2,152	2
Other Water Revenues (474)	1,799	1,739	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues	3,550	3,891	
Total Operating Revenues	354,694	356,025	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	332,982	309,541	5
General Operating Expenses (680-690)	71,849	38,710	6
Total Operation and Maintenance Expenses	404,831	348,251	
Other Operating Expenses			
Depreciation Expense (403)	21,835	36,272	7
Amortization Expense (404)		0	8
Taxes (408)	52,041	51,567	9
Total Other Operating Expenses	73,876	87,839	
Total Operating Expenses	478,707	436,090	
NET OPERATING INCOME	(124,013)	(80,065)	

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	653	30,090	162,598	4
Commercial	147	16,416	86,253	5
Industrial	12	1,567	7,524	6
Total Metered Sales to General Customers (461)	812	48,073	256,375	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		77,101	8
Other Sales to Public Authorities (464)	14	2,925	17,668	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	827	50,998	351,144	

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)	77,101	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)	77,101	
Forfeited Discounts (470):		
Customer late payment charges	1,751	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	1,751	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,799	7
Other (specify): NONE		8
Total Other Water Revenues (474)	1,799	

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)	34,022	28,079	1
Purchased Water (610)	287,598	262,449	2
Fuel or Power Purchased for Pumping (620)	774	0	3
Chemicals (630)		0	4
Supplies and Expenses (640)	4,645	8,384	5
Repairs of Water Plant (650)	5,902	10,539	6
Transportation Expenses (660)	41	90	7
Total Plant Operation and Maintenance Expenses	332,982	309,541	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	7,656	8,337	8
Office Supplies and Expenses (681)	1,425	1,698	9
Outside Services Employed (682)	30,095	9,619	10
Insurance Expense (684)	6,048	5,112	11
Employees Pensions and Benefits (686)	26,288	13,944	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	337	0	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	71,849	38,710	
Total Operation and Maintenance Expenses	404,831	348,251	

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		48,207	49,088	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		744	621	2
Net property tax equivalent		47,463	48,467	
Social Security		4,180	2,755	3
PSC Remainder Assessment		398	345	4
Other (specify): NONE			0	5
Total tax expense		52,041	51,567	

PROPERTY TAX EQUIVALENT (WATER)

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

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Iron				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.252066				3
County tax rate	mills		6.301804				4
Local tax rate	mills		14.770737				5
School tax rate	mills		13.017469				6
Voc. school tax rate	mills		1.443041				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		35.785117				10
Less: state credit	mills		1.680235				11
Net tax rate	mills		34.104882				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		14.770737				14
Combined School Tax Rate	mills		14.460510				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		29.231247				17
Total Tax Rate	mills		35.785117				18
Ratio of Local and School Tax to Total	dec.		0.816855				19
Total tax net of state credit	mills		34.104882				20
Net Local and School Tax Rate	mills		27.858739				21
Utility Plant, Jan. 1	\$	2,150,445	2,150,445				22
Materials & Supplies	\$	30,424	30,424				23
Subtotal	\$	2,180,869	2,180,869				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	2,180,869	2,180,869				26
Assessment Ratio	dec.		0.793441				27
Assessed Value	\$	1,730,391	1,730,391				28
Net Local & School Rate	mills		27.858739				29
Tax Equiv. Computed for Current Year	\$	48,207	48,207				30
Tax Equivalent per 1994 PSC Report	\$	48,207					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	48,207					34

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)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	4,000		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	4,000	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	1,297		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	52,691		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	53,988	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	22,755		22
Water Treatment Equipment (332)	13,457		23
Total Water Treatment Plant	36,212	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)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			4,000 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	4,000
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			1,297 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			52,691 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	53,988
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			22,755 22
Water Treatment Equipment (332)			13,457 23
Total Water Treatment Plant	0	0	36,212

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)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	40,002		26
Transmission and Distribution Mains (343)	1,569,139	63,877	27
Fire Mains (344)	0		28
Services (345)	208,938	12,536	29
Meters (346)	67,306	14,932	30
Hydrants (348)	155,105	7,350	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	2,040,490	98,695	
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)	498		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	15,257		38
Other Tangible Property (390)	0		39
Total General Plant	15,755	0	
Total utility plant in service directly assignable	2,150,445	98,695	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	2,150,445	98,695	

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)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			40,002 26
Transmission and Distribution Mains (343)		(860,085)	772,931 27
Fire Mains (344)			0 28
Services (345)	960	(114,524)	105,990 29
Meters (346)	9,000		73,238 30
Hydrants (348)		(85,017)	77,438 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	9,960	(1,059,626)	1,069,599
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)			498 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			15,257 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	15,755
Total utility plant in service directly assignable	9,960	(1,059,626)	1,179,554
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	9,960	(1,059,626)	1,179,554

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	0	0	
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	0	0	
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	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)			22
Water Treatment Equipment (332)			23
Total Water Treatment Plant	0	0	

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)			27
Fire Mains (344)			28
Services (345)			29
Meters (346)			30
Hydrants (348)			31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	0	0	
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	0	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	0	0	

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)		860,085	860,085 27
Fire Mains (344)			0 28
Services (345)		114,524	114,524 29
Meters (346)			0 30
Hydrants (348)		85,017	85,017 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	1,059,626	1,059,626
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	1,059,626	1,059,626
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	1,059,626	1,059,626

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	6,983			6,983	1
February	8,014			8,014	2
March	7,363			7,363	3
April	7,580			7,580	4
May	6,699			6,699	5
June	7,601			7,601	6
July	6,785			6,785	7
August	6,982			6,982	8
September	7,837			7,837	9
October	6,989			6,989	10
November	7,472			7,472	11
December	6,912			6,912	12
Total annual pumpage	87,217	0	0	87,217	
Less: Water sold				50,998	13
Volume pumped but not sold				36,219	14
Volume sold as a percent of volume pumped				58%	15
Volume used for water production, water quality and system maintenance				220	16
Volume related to equipment/system malfunction				500	17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				720	19
Volume pumped but unaccounted for				35,499	20
Percent of water lost				41%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					22
We are replacing the water meters. We replaced 295 in 2002 and 225 in 2003.. We have also hired an engineer to perform a water study of our system and help search for another water source.					
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)					23
Date of maximum:					24
Cause of maximum:					25
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)					26
Date of minimum:					27
Total KWH used for pumping for the year				0	28
If water is purchased: Vendor Name:	CITY OF IRON WOOD MICHIGAN				29
Point of Delivery:	CITY STATE BORDER				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)
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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)
----------------------------------	-----------------------------	-----------------------------	-----------------------------

NONE

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	TANK		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		3
Year constructed	1958		4
Primary material (earthen, steel, concrete, other)	STEEL		5
Elevation difference in feet (See Headnote 3.)	32		6
Total capacity in gallons (actual)	250,000		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)	
M	D	1.000	1,280	0	0	0	1,280	1
M	D	1.250	818	0	0	0	818	2
M	D	1.500	1,098	0	0	0	1,098	3
M	D	2.000	13,735	0	0	0	13,735	4
M	D	4.000	28,698	0	0	0	28,698	5
M	D	6.000	16,996	0	0	0	16,996	6
M	D	8.000	19,414	0	0	0	19,414	7
M	D	10.000	18,572	1,200	0	0	19,772	8
Total Within Municipality			100,611	1,200	0	0	101,811	
Total Utility			100,611	1,200	0	0	101,811	

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	851	13	12	0	852	61	1
M	1.000	57	0	0	0	57		2
M	2.000	17	0	0	0	17	1	3
M	3.000	1	0	0	0	1		4
M	4.000	3	0	0	0	3		5
Total Utility		929	13	12	0	930	62	

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	847	225	225	0	847	225	1
0.750	23	0	0	0	23	0	2
1.000	45	0	0	0	45	0	3
1.250	7	0	0	0	7	0	4
1.500	9	0	0	0	9	0	5
2.000	15	0	0	0	15	0	6
3.000	4	0	0	0	4	0	7
4.000	2	0	0	0	2	0	8
Total:	952	225	225	0	952	225	

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	739	64	10	3	0	31	847	1
0.750	0	20	1	0	0	2	23	2
1.000	1	42	0	0	0	2	45	3
1.250	0	5	0	2	0	0	7	4
1.500	0	8	0	0	0	1	9	5
2.000	0	9	0	5	0	1	15	6
3.000	0	0	0	3	0	1	4	7
4.000	0	1	0	1	0	0	2	8
Total:	740	149	11	14	0	38	952	

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	148	3			151	2
Total Fire Hydrants	148	3	0	0	151	
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:	145
Number of distribution system valves end of year:	448
Number of distribution valves operated during year:	132

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

General footnotes

Supplies and Ezpense 640

These expenses were reduced because more effort was placed on replacing meters and street repairs.

Repairs to Water Pland 650

These costs were reduced because the prior year had greater emphasis on locating and repairing leaks.

Fuel or Power Purchased for Pumping 620

This is the cost of pumping water to our reservoir.

Outside Services Employed 682

This consists primarily of costs associated with efforts to locate a new water source. A new source has not been located.

Employees Pensions and Benefits 686

These costs went up because health insurance costs went up alomst 50% and wages allocated to the water department increased.

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

General footnotes

Adjustments to mains, services, and hydrants were made to account for prior year costs financed by contributions in aid of construction per Cocket 05.US.105.

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

General footnotes

Adjustments to mains, services, and hydrants were made to account for prior year costs financed by contributions in aid of construction per Cocket 05.US.105.

Water Mains (Page W-17)

General footnotes

Mains were added to extend service toward a potential water source. This extension was financed by the utility.

Water Services (Page W-18)

General footnotes

Services were replaced by the utility in conjunction with repairs to a water main and street improvements. These were paid by the utility because they were for the benefit of the utility. One new service was also added in the event of future development (currently not in use).