



3015 (02-09-04)

ANNUAL REPORT

OF

Name: CITY OF HILLSBORO MUNICIPAL WATER UTILITY

Principal Office: P.O. BOX 447
HILLSBORO, WI 54634

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: CITY OF HILLSBORO MUNICIPAL WATER UTILITY

Utility Address: P.O. BOX 447
HILLSBORO, WI 54634

When was utility organized? 1/1/1997

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: SHEILA SCHRAUFNEGEL

Title: CITY CLERK

Office Address:

P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (608) 489 - 2521

Fax Number: (608) 489 - 3905

E-mail Address:

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

Name: JOHN E VIG

Title: MANAGING MEMBER

Office Address: VIG & ASSOCIATES LLC

117 WEST COURT STREET
P.O. BOX 271
VIROQUA, WI 54665

Telephone: (608) 637 - 2082

Fax Number: (608) 637 - 3021

E-mail Address: JACKV@FRONTIERNET.NET

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

Name: GREGORY KUBARSKI

Title: MAYOR

Office Address:

P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (608) 489 - 2521

Fax Number: (608) 489 - 3908

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? NO

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name: JOHN E VIG

Title: MANAGING MEMBER

Office Address: VIG & ASSOCIATES
117 WEST COURT STREET
P.O. BOX 271
VIROQUA, WI 54665

Telephone: (608) 637 - 2082

Fax Number: (608) 637 - 3021

E-mail Address:

Date of most recent audit report: 1/9/2003

Period covered by most recent audit: DECEMBER 31, 2002

Names and titles of utility management including manager or superintendent:

Name: MIKE LANGE

Title: UTILITY SUPERINTENDENT

Office Address:
P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (608) 489 - 2521

Fax Number: (608) 489 - 3905

E-mail Address:

Name of utility commission/committee: COMMON COUNCIL

Names of members of utility commission/committee:

- PETE BENISH
- BOB COPPERNOLL
- DONALD EHLER, REV.
- JERI LOU HELGERSON
- R. DALE JONES
- GREGORY KUBARSKI, MAYOR
- RONALD NEMEC
- DARROW NOVY
- RANDY SEELEY

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: [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:

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)	217,664	201,675	1
Operating Expenses:			
Operation and Maintenance Expense (401)	105,543	97,006	2
Depreciation Expense (403)	33,423	31,545	3
Amortization Expense (404)	3,344	0	4
Taxes (408)	32,580	31,927	5
Total Operating Expenses	174,890	160,478	
Net Operating Income	42,774	41,197	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	42,774	41,197	
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)	5,733	6,734	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	5,733	6,734	
Total Income	48,507	47,931	
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	48,507	47,931	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	40,211	42,471	13
Amortization of Debt Discount and Expense (428)		3,344	14
Amortization of Premium on Debt--Cr. (429)	0		15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0		18
Total Interest Charges	40,211	45,815	
Net Income	8,296	2,116	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	93,572	91,456	19
Balance Transferred from Income (433)	8,296	2,116	20
Miscellaneous Credits to Surplus (434)	0	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	0	24
Total Unappropriated Earned Surplus End of Year (216)	101,868	93,572	

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INTEREST INCOME ON INVESTMENTS AND DEBT RESERVES	5,733	4
Total (Acct. 419):	5,733	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

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

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

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

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	217,664	0	0	0	217,664	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	217,664	0	0	0	217,664	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,608,575	1,606,477	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	311,856	274,788	2
Net Utility Plant	1,296,719	1,331,689	
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)	41,717	41,717	5
Other Investments (124)	0	0	6
Special Funds (125)	137,939	135,377	7
Total Other Property and Investments	179,656	177,094	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	68,949	99,363	8
Temporary Cash Investments (132)	14,009	13,804	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	10,441	10,595	11
Other Accounts Receivable (143)	2,719	3,212	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	1,660	47,443	14
Materials and Supplies (150)	13,537	11,545	15
Prepayments (165)	2,876	2,610	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	114,191	188,572	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	24,178	27,522	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	24,178	27,522	
Total Assets and Other Debits	1,614,744	1,724,877	

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)	561,943	561,943	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	101,868	93,572	23
Total Proprietary Capital	663,811	655,515	
LONG-TERM DEBT			
Bonds (221)	578,401	607,201	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	129,801	135,206	26
Total Long-Term Debt	708,202	742,407	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	299	15,722	28
Payables to Municipality (233)	0	18,083	29
Customer Deposits (235)			30
Taxes Accrued (236)	29,638	81,120	31
Interest Accrued (237)	11,335	11,825	32
Other Current and Accrued Liabilities (238)	1,792	1,766	33
Total Current and Accrued Liabilities	43,064	128,516	
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)	199,667	198,439	38
Total Liabilities and Other Credits	1,614,744	1,724,877	

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)	1,608,575	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	1,608,575	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	311,856	0	0	0	9
Total Accumulated Provision	311,856	0	0	0	
Net Utility Plant	1,296,719	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	274,788				274,788	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	33,423				33,423	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	4,645				4,645	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	38,068	0	0	0	38,068	13
Debits during year						14
Book cost of plant retired	1,000				1,000	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	1,000	0	0	0	1,000	19
Balance End of Year	311,856	0	0	0	311,856	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

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

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	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	13,537	11,545
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	13,537	11,545

**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)				
1987 MRB	1,367	428	18,248	1
1995 MRB	1,977	428	5,930	2
Total			24,178	
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	561,943	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>561,943</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)	
MORTGAGE REVENUE BONDS	10/01/1995	09/01/2015	5.00%	578,401	1
Total Bonds (Account 221):				578,401	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
GO BONDS	12/01/2000	12/01/2018	4.70%	129,801	1
Total for Account 224				129,801	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	81,120	1
Accruals:		
Charged water department expense	32,580	2
Charged electric department expense		3
Charged sewer department expense	846	4
Other (explain):		
NONE		5
Total Accruals and other credits	33,426	
Taxes paid during year:		
County, state and local taxes	81,120	6
Social Security taxes	3,552	7
PSC Remainder Assessment	236	8
Other (explain):		
NONE		9
Total payments and other debits	84,908	
Balance end of year	29,638	

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)					
MRBS	11,244	33,263	33,731	10,776	1
Subtotal	11,244	33,263	33,731	10,776	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE	0			0	3
GO BONDS	581	6,948	6,970	559	4
Subtotal	581	6,948	6,970	559	
Notes Payable (231)					
NONE	0			0	5
Subtotal	0	0	0	0	
Total	11,825	40,211	40,701	11,335	

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	198,439	0	0	0	0	198,439	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
OTHER	1,228					1,228	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	199,667	0	0	0	0	199,667	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	111,590					111,590	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
INVESTMENT IN MUNICIPALITY	41,717	1
Total (Acct. 123):	41,717	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
DEBT SERVICE RESERVE	74,400	3
BOND DEPRECIATION SAVINGS	13,186	4
BOND RESERVE SAVINGS	33,784	5
BOND DEPRECIATION	16,569	6
Total (Acct. 125):	137,939	
Notes Receivable (141):		
NONE		7
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	10,441	8
Electric		9
Sewer (Regulated)		10
Other (specify):		
NONE		11
Total (Acct. 142):	10,441	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		12
Merchandising, jobbing and contract work		13
Other (specify):		
INTEREST RECEIVABLE	1,604	14
RECEIVABLE FROM CUSTOMERS FOR WORK PERFORMED	1,115	15
Total (Acct. 143):	2,719	
Receivables from Municipality (145):		
REC. FROM MUNICIPALITY-DEL. UTILITIES PLACED ON TAX ROLL	1,660	16
Total (Acct. 145):	1,660	
Prepayments (165):		
PREPAID INSURANCE	2,876	17
Total (Acct. 165):	2,876	

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)
Extraordinary Property Losses (182):	
NONE	18
Total (Acct. 182):	0
Other Deferred Debits (183):	
NONE	19
Total (Acct. 183):	0
Payables to Municipality (233):	
NONE	20
Total (Acct. 233):	0
Other Deferred Credits (253):	
NONE	21
Total (Acct. 253):	0

RETURN ON RATE BASE COMPUTATION

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

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	1,607,526	0	0	0	1,607,526	1
Materials and Supplies	12,541	0	0	0	12,541	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	293,322	0	0	0	293,322	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	199,053	0	0	0	199,053	6
Other (specify):						
NONE					0	7
Average Net Rate Base	1,127,692	0	0	0	1,127,692	
Net Operating Income	42,774	0	0	0	42,774	8
Net Operating Income as a percent of Average Net Rate Base						
	3.79%	N/A	N/A	N/A	3.79%	

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	561,943	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	97,720	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	659,663	
Net Income		
Net Income	8,296	5
Percent Return on Proprietary Capital	1.26%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

NONE

2. Leaseholder changes.

NONE

3. Extensions of service.

NONE

4. Estimated changes in revenues due to rate changes.

- The utility filed a rate increase application in 2002. In December 2002, a public hearing was held and new rates became effective January 2003.

5. Obligations incurred or assumed, excluding commercial paper.

NONE

6. Formal proceedings with the Public Service Commission.

- The utility discovered several instances of over billing of customers due to computers rate tables problems. Refunds were made in October 2002 and WPSC was informed of the matter.

7. Any additional matters.

Larry Bierke assumed the position of City Administrator.

FINANCIAL SECTION FOOTNOTES

Important Changes During the Year (Page F-21)

Signature Page (Page ii)

To the Members of the Common Council
Of the City of Hillsboro
Hillsboro, Wisconsin 54634

We have compiled the balance sheets of the Hillsboro Municipal Water Utility as of December 31, 2002 and 2001, and the related statements of income and retained earnings for the years then ended, 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. We have also compiled the supplementary information presented in the prescribed form.

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

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

Vig & Associates LLC
March 22, 2003

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

Elaine,

You are correct the amount being amortized is for debt discount. The amount should have been coded to line 428. We will make the necessary note in our file to ensure the correct coding for next year. If you have any other questions please give me a call or send me an email.

Thank you,

Wayde

11/25/03 email:

Wayde A. Pollock

Vig & Associates, LLC

117 West Court Street

Viroqua, WI 54665

(608) 637 - 2082

November 19, 2003

Ms. Sheila Schraufnegel, City Clerk
Hillsboro Municipal Water Utility
P.O. Box 447
Hillsboro, WI 54634-0447

2002 Analytical Review DWCCA-2550-ELE

Dear Ms. Schraufnegel:

The Public Service Commission (Commission) staff has completed its analytical review of your utility's 2002 annual report. The primary purpose

FINANCIAL SECTION FOOTNOTES

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 issue:

On Page W-1, \$3,344 is reported in Account 404. This account is normally reserved for amounts with Commission authorization. Please provide an explanation of this amount and a copy of the Commission authorization.

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. 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\2550
Hillsboro.doc

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	204,555	1
Total Sales of Water	204,555	
Other Operating Revenues		
Forfeited Discounts (470)	189	2
Other Water Revenues (474)	12,920	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	13,109	
Total Operating Revenues	217,664	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	56,665	5
General Operating Expenses (680-690)	48,878	6
Total Operation and Maintenance Expenses	105,543	
Other Operating Expenses		
Depreciation Expense (403)	33,423	7
Amortization Expense (404)	3,344	8
Taxes (408)	32,580	9
Total Other Operating Expenses	69,347	
Total Operating Expenses	174,890	
NET OPERATING INCOME	42,774	

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	545	21,705	60,678	4
Commercial	59	3,435	8,723	5
Industrial	16	53,584	39,577	6
Total Metered Sales to General Customers (461)	620	78,724	108,978	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		83,520	8
Other Sales to Public Authorities (464)	32	8,517	12,057	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	653	87,241	204,555	

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)	83,520	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)	83,520	
Forfeited Discounts (470):		
Customer late payment charges	189	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	189	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	5,291	7
Other (specify):		
FOCUS ON ENERGY GRANT	6,719	8
OVERBILL	862	9
OTHER	48	10
Total Other Water Revenues (474)	12,920	
Amortization of Construction Grants (475):		
NONE		11
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)	30,333	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	8,680	3
Chemicals (630)	11,639	4
Supplies and Expenses (640)	5,443	5
Repairs of Water Plant (650)	63	6
Transportation Expenses (660)	507	7
Total Plant Operation and Maintenance Expenses	56,665	
 GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	18,367	8
Office Supplies and Expenses (681)	3,431	9
Outside Services Employed (682)	11,272	10
Insurance Expense (684)	3,868	11
Employees Pensions and Benefits (686)	9,467	12
Regulatory Commission Expenses (688)	1,200	13
Miscellaneous General Expenses (689)	1,273	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	48,878	
 Total Operation and Maintenance Expenses	 105,543	

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		29,638	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		846	2
Net property tax equivalent		28,792	
Social Security		3,552	3
PSC Remainder Assessment		236	4
Other (specify): NONE			5
Total tax expense		<u>32,580</u>	

PROPERTY TAX EQUIVALENT (WATER)

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

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Vernon				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.220990				3
County tax rate	mills		6.822901				4
Local tax rate	mills		8.571566				5
School tax rate	mills		9.878826				6
Voc. school tax rate	mills		2.669839				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		28.164122				10
Less: state credit	mills		1.173680				11
Net tax rate	mills		26.990442				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		8.571566				14
Combined School Tax Rate	mills		12.548665				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		21.120231				17
Total Tax Rate	mills		28.164122				18
Ratio of Local and School Tax to Total	dec.		0.749898				19
Total tax net of state credit	mills		26.990442				20
Net Local and School Tax Rate	mills		20.240090				21
Utility Plant, Jan. 1	\$	1,606,477	1,606,477				22
Materials & Supplies	\$	11,547	11,547				23
Subtotal	\$	1,618,024	1,618,024				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	1,618,024	1,618,024				26
Assessment Ratio	dec.		0.905018				27
Assessed Value	\$	1,464,341	1,464,341				28
Net Local & School Rate	mills		20.240090				29
Tax Equiv. Computed for Current Year	\$	29,638	29,638				30
Tax Equivalent per 1994 PSC Report	\$	12,274					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32 33
Tax equiv. for current year (see note 6)	\$	29,638					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$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)	437		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	437	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	579		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)	13,771		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	14,350	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	9,070		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	125,884	2,356	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	1,507		20
Total Pumping Plant	136,461	2,356	
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)	8,704		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)			437 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	437
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			579 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)			13,771 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	14,350
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			9,070 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			128,240 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			1,507 20
Total Pumping Plant	0	0	138,817
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)			8,704 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)	197,868		26
Transmission and Distribution Mains (343)	777,975		27
Fire Mains (344)	0		28
Services (345)	154,231		29
Meters (346)	184,823	742	30
Hydrants (348)	90,756		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,414,357	742	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	3,000		34
Office Furniture and Equipment (372)	1,424		35
Computer Equipment (372.1)	10,835		36
Transportation Equipment (373)	15,077		37
Other General Equipment (379)	10,536		38
Other Tangible Property (390)	0		39
Total General Plant	40,872	0	
Total utility plant in service directly assignable	1,606,477	3,098	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,606,477	3,098	

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)			197,868 26
Transmission and Distribution Mains (343)			777,975 27
Fire Mains (344)			0 28
Services (345)			154,231 29
Meters (346)	1,000		184,565 30
Hydrants (348)			90,756 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	1,000	0	1,414,099
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			3,000 34
Office Furniture and Equipment (372)			1,424 35
Computer Equipment (372.1)			10,835 36
Transportation Equipment (373)			15,077 37
Other General Equipment (379)			10,536 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	40,872
Total utility plant in service directly assignable	1,000	0	1,608,575
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	1,000	0	1,608,575

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			7,233	7,233	1
February			6,429	6,429	2
March			6,771	6,771	3
April			7,500	7,500	4
May			8,707	8,707	5
June			8,568	8,568	6
July			9,589	9,589	7
August			9,112	9,112	8
September			8,048	8,048	9
October			8,959	8,959	10
November			7,203	7,203	11
December			7,160	7,160	12
Total annual pumpage	0	0	95,279	95,279	
Less: Water sold				87,241	13
Volume pumped but not sold				8,038	14
Volume sold as a percent of volume pumped				92%	15
Volume used for water production, water quality and system maintenance				400	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				400	19
Volume pumped but unaccounted for				7,638	20
Percent of water lost				8%	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.)				485	23
Date of maximum: 4/30/2002					24
Cause of maximum:					25
The cause of the maximum was the flushing of mains and hydrants.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				0	26
Date of minimum: 1/13/2002					27
Total KWH used for pumping for the year				155,658	28
If water is purchased: Vendor Name:					29
Point of Delivery:					30

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
HIGHWAY 33	1	275	12	480,000	Yes	1
MECHANIC STREET	2	327	12	504,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

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

PUMPING & POWER EQUIPMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	1	2	1
Location	HIGHWAY 33	MECHANIC STREET	2
Purpose	P	P	3
Destination	R D	R D	4
Pump Manufacturer	LAYNE NW	WORTHINGTON	5
Year Installed	1993	1988	6
Type	VERTICAL TURBINE	CENTRIFUGAL	7
Actual Capacity (gpm)	420	420	8
Pump Motor or Standby Engine Mfr	US ELECTRICAL	US ELECTRICAL	9
Year Installed	1982	1993	10
Type	ELECTRIC	ELECTRIC	11
Horsepower	30	30	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)
Identification			14
Location			15
Purpose			16
Destination			17
Pump Manufacturer			18
Year Installed			19
Type			20
Actual Capacity (gpm)			21
Pump Motor or Standby Engine Mfr			22
Year Installed			23
Type			24
Horsepower			25

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	2		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		3
Year constructed	1982		4
Primary material (earthen, steel, concrete, other)	OTHER		5
Elevation difference in feet (See Headnote 3.)	155		6
Total capacity in gallons (actual)	500,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER		9
Points of application (wellhouse, central facilities, booster station, other)	OTHER		10
Filters, type (gravity, pressure, other, none)	NONE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.0000		12
Is a corrosion control chemical used (yes, no)?	Y		13
Is water fluoridated (yes, no)?	N		14

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	1.000	1,480	0	0	0	1,480	1
M	D	1.500	3,404	0	0	0	3,404	2
M	D	2.000	1,987	0	0	0	1,987	3
M	D	4.000	130	0	0	0	130	4
M	D	6.000	31,424	0	0	0	31,424	5
M	D	8.000	14,185	0	0	0	14,185	6
M	D	10.000	350	0	0	0	350	7
M	D	12.000	6,930	0	0	0	6,930	8
Total Within Municipality			59,890	0	0	0	59,890	
M	D	10.000	1,295	0	0	0	1,295	9
Total Outside of Municipality			1,295	0	0	0	1,295	
Total Utility			61,185	0	0	0	61,185	

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	0.625	28	0	0	0	28		1
M	0.750	525	0	0	0	525	8	2
M	1.000	96	0	0	0	96	18	3
M	1.250	9	0	0	0	9		4
M	1.500	2	0	0	0	2		5
M	2.000	5	0	0	0	5		6
M	4.000	7	0	0	0	7		7
Total Utility		672	0	0	0	672	26	

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	665	3	0	19	687	34	1
1.000	8	0	5	2	5	0	2
1.500	16	0	6	3	13	0	3
2.000	21	0	6	4	19	0	4
4.000	9	0	3	3	9	0	5
Total:	719	3	20	31	733	34	

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	544	52	8	7	5	71	687	1
1.000	1	2	1	1	0	0	5	2
1.500	0	3	1	3	2	4	13	3
2.000	0	2	5	6	2	4	19	4
4.000	0	0	1	6	0	2	9	5
Total:	545	59	16	23	9	81	733	

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	2				2	1
Within Municipality	105				105	2
Total Fire Hydrants	107	0	0	0	107	
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:	105
Number of distribution system valves end of year:	144
Number of distribution valves operated during year:	75

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

A/C 631 - Increase due to additional costs in the purchases of chemicals for 2002.

Water Utility Plant in Service (Page W-08)

A/C#346 - Column C - The increase in meters is due to the purchase of 3 - 5/8" meters and outside service meter readers with radio meter technology.

Meters (Page W-17)

ADJUSTMENTS NECESSARY TO REFLECT METER CLASSIFICATIONS AT DECEMBER 31, 2002 PER PHYSICAL COUNT.
