



3015 (02-09-04)

ANNUAL REPORT

OF

Name: TOWN OF SHELBY SANITARY DISTRICT #2

Principal Office: 2800 WARD AVENUE
LA CROSSE, WI 54601

For the Year Ended: DECEMBER 31, 2003

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

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

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

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: TOWN OF SHELBY SANITARY DISTRICT #2

Utility Address: 2800 WARD AVENUE
LA CROSSE, WI 54601

When was utility organized? 8/8/1967

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MR JEFFREY L BRUDOS

Title: ADMINISTRATOR

Office Address:

2800 WARD AVENUE
LA CROSSE, WI 54601

Telephone: (608) 788 - 1032

Fax Number: (608) 788 - 6840

E-mail Address: Jeff.Brudos@centurytel.net

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

Name: LYNDA RICKOFF

Title: MANAGER

Office Address: HAWKINS, ASH, BAPTIE & COMPANY, LLP

99 MILWAUKEE STREET
P.O. BOX 1508
LA CROSSE, WI 54602

Telephone: (608) 784 - 7737 EXT 219

Fax Number: (608) 785 - 2140

E-mail Address: lrickoff@habco.com

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

Name: ROBERT MUELLER

Title: CHAIRMAN

Office Address:

2800 WARD AVENUE
LA CROSSE, WI 54602

Telephone: (608) 788 - 1032

Fax Number: (608) 788 - 6840

E-mail Address:

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

IDENTIFICATION AND OWNERSHIP

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

Name:

Title:

Office Address: HAWKINS, ASH, BAPTIE & COMPANY, LLP
99 MILWAUKEE STREET
P.O. BOX 1508
LA CROSSE, WI 54602

Telephone: (608) 784 - 7737 EXT 219

Fax Number: (608) 785 - 2140

E-mail Address: lrickoff@habco.com

Date of most recent audit report: 2/25/2004

Period covered by most recent audit: 2003

Names and titles of utility management including manager or superintendent:

Name: MR JEFFREY L BRUDOS

Title: ADMINISTRATOR

Office Address:

2800 WARD AV
LA CROSSE, WI 54601

Telephone: (608) 788 - 1032

Fax Number: (608) 788 - 6840

E-mail Address: Jeff.Brudos@centurytel.net

Name of utility commission/committee: Town of Shelby Sanitary District #2 Board

Names of members of utility commission/committee:

- MR KURT KNUTSON, COMMISSIONER
 - MR WILLIAM LANDMAN, COMMISSIONER
 - MR ROBERT MUELLER, CHAIRMAN
-

Is sewer service rendered by the utility? YES

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

Date of Ordinance:

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	127,765	95,315	1
Operating Expenses:			
Operation and Maintenance Expense (401)	84,494	102,760	2
Depreciation Expense (403)	16,064	22,493	3
Amortization Expense (404)	0	0	4
Taxes (408)	2,344	2,626	5
Total Operating Expenses	102,902	127,879	
Net Operating Income	24,863	(32,564)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	24,863	(32,564)	
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)	5,963	9,666	9
Miscellaneous Nonoperating Income (421)	215	0	10
Total Other Income	6,178	9,666	
Total Income	31,041	(22,898)	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	11,049	0	12
Total Miscellaneous Income Deductions	11,049	0	
Income Before Interest Charges	19,992	(22,898)	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	14,379	8,115	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)	2,317	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0		18
Total Interest Charges	16,696	8,115	
Net Income	3,296	(31,013)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	139,454	170,467	19
Balance Transferred from Income (433)	3,296	(31,013)	20
Miscellaneous Credits to Surplus (434)	483,198	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)	625,948	139,454	

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	127,765		127,765	1
Total (Acct. 400):	127,765	0	127,765	
Operation and Maintenance Expense (401):				
Derived	84,494		84,494	2
Total (Acct. 401):	84,494	0	84,494	
Depreciation Expense (403):				
Derived	16,064		16,064	3
Total (Acct. 403):	16,064	0	16,064	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	2,344		2,344	5
Total (Acct. 408):	2,344	0	2,344	
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:	24,863	0	24,863	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST ON INVESTED CASH	2,462	0	2,462	10
INTEREST ON SPECIAL ASSESSMENTS	985	0	985	11
INTEREST ON NOTE RECEIVABLE	2,516	0	2,516	12
Total (Acct. 419):	5,963	0	5,963	

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):			
Contributed Plant - Water	[REDACTED]		0 13
CONSUMER CONFIDENCE REPORT EXPENSE REIMBUR	215	0	215 14
Total (Acct. 421):	215	0	215
TOTAL OTHER INCOME:	6,178	0	6,178

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
NONE	0	0	0 15
Total (Acct. 425):	0	0	0
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	[REDACTED]	11,049	11,049 16
NONE	0	0	0 17
Total (Acct. 426):	0	11,049	11,049
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	0	11,049	11,049

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	14,379	[REDACTED]	14,379 18
Total (Acct. 427):	14,379	0	14,379
Amortization of Debt Discount and Expense (428):			
NONE	0	[REDACTED]	0 19
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0	[REDACTED]	0 20
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	2,317	[REDACTED]	2,317 21
Total (Acct. 430):	2,317	0	2,317
Other Interest Expense (431):			
Derived	0	[REDACTED]	0 22
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 23
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	16,696	0	16,696
NET INCOME:	14,345	(11,049)	3,296
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	139,454	0	139,454 24
Total (Acct. 216):	139,454	0	139,454
Balance Transferred from Income (433):			
Derived	14,345	(11,049)	3,296 25
Total (Acct. 433):	14,345	(11,049)	3,296
Miscellaneous Credits to Surplus (434):			
NET BEGINNING CONTRIBUTED PLANT	0	483,198	483,198 26
Total (Acct. 434):	0	483,198	483,198
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 27
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 28
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 29
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	153,799	472,149	625,948

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

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

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

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

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	127,765	0	0	0	127,765	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	127,765	0	0	0	127,765	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,106,537	1,062,953	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	454,698	270,574	2
Net Utility Plant	651,839	792,379	
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)	14,456	16,411	6
Special Funds (125)	0	0	7
Total Other Property and Investments	14,456	16,411	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	217,426	240,328	8
Temporary Cash Investments (132)		0	9
Notes Receivable (141)	107,135	111,823	10
Customer Accounts Receivable (142)	18,314	12,789	11
Other Accounts Receivable (143)	103	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	5,799	7,073	14
Materials and Supplies (150)	9,510	7,979	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	358,287	379,992	
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	1,024,582	1,188,782	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	0	0	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	625,948	139,454	23
Total Proprietary Capital	625,948	139,454	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	115,842	0	25
Other long-Term Debt (224)	231,626	353,138	26
Total Long-Term Debt	347,468	353,138	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	12,955	5,231	28
Payables to Municipality (233)	35,058	37,231	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	3,153	990	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	51,166	43,452	
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	652,738	38
Total Liabilities and Other Credits	1,024,582	1,188,782	

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	1,062,953	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)	453,799	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	652,738	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	1,106,537	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)	274,109	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	180,589	0	0	0	12
Total Accumulated Provision	454,698	0	0	0	
Net Utility Plant	651,839	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)	270,574				270,574	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	16,064				16,064	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	16,064	0	0	0	16,064	13
Debits during year						14
Book cost of plant retired	12,529				12,529	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	12,529	0	0	0	12,529	19
Balance end of year (110.1)	274,109	0	0	0	274,109	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)	11,049				11,049	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	169,540				169,540	10
Total credits	180,589	0	0	0	180,589	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)	180,589	0	0	0	180,589	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 1
Other					0	0 2
Total Electric Utility					0	0

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility	9,510	7,979 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	9,510	7,979

**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)				
NONE				1
Total			<u>0</u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)
Balance first of year	0 1
Changes during year (explain):	2
Balance end of year	0

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)					
ADVANCE FROM SEWER	07/01/2003	07/01/2018	4.00%	115,842	1
Total for Account 223				115,842	
Other Long-Term Debt (224)					
PROMISSORY NOTE PAYABLE #2	07/03/2001	02/15/2010	5.50%	18,532	2
PROMISSORY NOTE PAYABLE #3	11/20/2002	01/01/2013	4.50%	213,094	3
PROMISSORY NOTE PAYABLE #1	08/31/2001	07/01/2011	6.00%	0	4
Total for Account 224				231,626	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	2,344	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>2,344</u>	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	2,241	7
PSC Remainder Assessment	103	8
Other (explain):		
NONE		9
Total payments and other debits	<u>2,344</u>	
Balance end of year	<u><u>0</u></u>	

INTEREST ACCRUED (ACCT. 237)

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

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
SEWER	0	2,317		2,317	2
Subtotal	0	2,317	0	2,317	
Other long-Term Debt (224)					
PROMISSORY NOTE #1	0	3,394	3,394	0	3
PROMISSORY NOTE #2	990	999	1,153	836	4
PROMISSORY NOTE #3	0	9,986	9,986	0	5
Subtotal	990	14,379	14,533	836	
Notes Payable (231)					
NONE	0			0	6
Subtotal	0	0	0	0	
Total	990	16,696	14,533	3,153	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
SPECIAL ASSESSMENTS	14,456	2
Total (Acct. 124):	14,456	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
WEDGEWOOD TERRACE SUBDIVISION	107,135	4
Total (Acct. 141):	107,135	
Customer Accounts Receivable (142):		
Water	18,314	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	18,314	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
INTEREST RECEIVABLE	103	11
Total (Acct. 143):	103	
Receivables from Municipality (145):		
DELINQ A/R & SPECIAL ASSMTS ON TAX ROLL	5,799	12
Total (Acct. 145):	5,799	
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):		
SEWER-WATER EXPENSES PD BY SEWER	26,287	16
TOWN-NOVEMBER & DECEMBER EXPENSES	8,771	17
Total (Acct. 233):	35,058	
Other Deferred Credits (253):		
NONE		18
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)	425,617	0	0	0	425,617	1
Materials and Supplies	8,744	0	0	0	8,744	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation (110.1)	272,341	0	0	0	272,341	4
Customer Advances for Construction					0	5
					0	6
Average Net Rate Base	162,020	0	0	0	162,020	
Net Operating Income	24,863	0	0	0	24,863	7
Net Operating Income as a percent of Average Net Rate Base	15.35%	N/A	N/A	N/A	15.35%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

Pumping equipment was replaced at Arbor Hills and Vista well houses.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

New rates went into effect January 1, 2003 estimated to generate \$21,000 additional revenue.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Accumulated Provision for Depreciation and Amortization of Utility Plant on Contributed Plant in Servic

General footnotes

Beginning accumulated depreciation on contributed assets was determined by multiplying contributed assets to total assets by the beginning accumulated depreciation balance.

Signature Page (Page ii)

General footnotes

To the District Board
Shelby Sanitary District #2
La Crosse, Wisconsin

We have compiled the accompanying balance sheets of Shelby Sanitary District #2 as of December 31, 2003 and 2002, and the related statements of income and earned surplus and supplementary information 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.

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 accompanying supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on this information.

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

HAWKINS, ASH, BAPTIE & COMPANY, LLP

La Crosse, Wisconsin
February 25, 2004

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	652,738	0	0	0	0	652,738	1
Add credits during year:							
NONE						0	2
Deduct charges (specify):							
Closed January 1, 2003 per Docket 05-US-105	652,738					652,738	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)	125,229	93,403	1
Total Sales of Water	125,229	93,403	
Other Operating Revenues			
Forfeited Discounts (470)	208	259	2
Other Water Revenues (474)	2,328	1,653	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues	2,536	1,912	
Total Operating Revenues	127,765	95,315	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	49,228	61,449	5
General Operating Expenses (680-690)	35,266	41,311	6
Total Operation and Maintenance Expenses	84,494	102,760	
Other Operating Expenses			
Depreciation Expense (403)	16,064	22,493	7
Amortization Expense (404)		0	8
Taxes (408)	2,344	2,626	9
Total Other Operating Expenses	18,408	25,119	
Total Operating Expenses	102,902	127,879	
NET OPERATING INCOME	24,863	(32,564)	

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	267	27,184	80,759	4
Commercial				5
Industrial				6
Total Metered Sales to General Customers (461)	267	27,184	80,759	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		30,111	8
Other Sales to Public Authorities (464)				9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)	1	15,779	14,359	11
Interdepartmental Sales (467)				12
Total Sales of Water	269	42,963	125,229	

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)	
WEDGEWOOD TERRACE	CNR STATE RD AND HIAWATHA AV	15,779	14,359	1
Total		15,779	14,359	

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)	30,111	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)	30,111	
Forfeited Discounts (470):		
Customer late payment charges	208	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	208	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		7
Other (specify): STANDBY CHARGES	1,428	8
WEDGEWOOD WATER TRUST SERVICE CHARGES	900	9
Total Other Water Revenues (474)	2,328	

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)	15,445	23,274	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	20,604	14,991	3
Chemicals (630)	5,277	3,593	4
Supplies and Expenses (640)	2,705	5,036	5
Repairs of Water Plant (650)	4,717	14,255	6
Transportation Expenses (660)	480	300	7
Total Plant Operation and Maintenance Expenses	49,228	61,449	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	14,940	13,548	8
Office Supplies and Expenses (681)	1,821	2,234	9
Outside Services Employed (682)	2,358	2,240	10
Insurance Expense (684)	1,047	1,021	11
Employees Pensions and Benefits (686)	11,539	12,106	12
Regulatory Commission Expenses (688)		5,022	13
Miscellaneous General Expenses (689)	3,561	5,140	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	35,266	41,311	
Total Operation and Maintenance Expenses	84,494	102,760	

TAXES (ACCT. 408 - WATER)

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

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent			0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			0	2
Net property tax equivalent		0	0	
Social Security		2,241	2,515	3
PSC Remainder Assessment		103	111	4
Other (specify): NONE			0	5
Total tax expense		2,344	2,626	

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)	0		7
Wells and Springs (314)	41,977	1,869	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	41,977	1,869	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	35,012		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	19,420	1,208	15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	138,633	65,816	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	193,065	67,024	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	10,215		22
Water Treatment Equipment (332)	10,787		23
Total Water Treatment Plant	21,002	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)			0	7
Wells and Springs (314)		(7,200)	36,646	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	(7,200)	36,646	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)		(589)	34,423	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)	11,652		8,976	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			204,449	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	11,652	(589)	247,848	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)		(2,080)	8,135	22
Water Treatment Equipment (332)			10,787	23
Total Water Treatment Plant	0	(2,080)	18,922	

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)	8,450		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	213,542		26
Transmission and Distribution Mains (343)	389,018		27
Fire Mains (344)	0		28
Services (345)	69,074		29
Meters (346)	45,819		30
Hydrants (348)	61,180		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	787,083	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	764		35
Computer Equipment (372.1)	1,261		36
Transportation Equipment (373)	3,479		37
Other General Equipment (379)	1,542		38
Other Tangible Property (390)	0		39
Total General Plant	7,046	0	
Total utility plant in service directly assignable	1,050,173	68,893	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,050,173	68,893	

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)			8,450 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)		(123,597)	89,945 26
Transmission and Distribution Mains (343)		(389,018)	0 27
Fire Mains (344)			0 28
Services (345)		(69,074)	0 29
Meters (346)	877		44,942 30
Hydrants (348)		(61,180)	0 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	877	(642,869)	143,337
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			764 35
Computer Equipment (372.1)			1,261 36
Transportation Equipment (373)			3,479 37
Other General Equipment (379)			1,542 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	7,046
Total utility plant in service directly assignable	12,529	(652,738)	453,799
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	12,529	(652,738)	453,799

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)		7,200	7,200 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	7,200	7,200
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)		589	589 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	589	589
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)		2,080	2,080 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	2,080	2,080

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)		123,597	123,597 27
Fire Mains (344)			0 28
Services (345)		69,074	69,074 29
Meters (346)			0 30
Hydrants (348)		61,180	61,180 31
Other Transmission and Distribution Plant (349)		389,018	389,018 32
Total Transmission and Distribution Plant	0	642,869	642,869
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	652,738	652,738
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	652,738	652,738

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				0	1
February				0	2
March			7,757	7,757	3
April				0	4
May				0	5
June			9,879	9,879	6
July				0	7
August				0	8
September			17,893	17,893	9
October				0	10
November				0	11
December			9,291	9,291	12
Total annual pumpage	0	0	44,820	44,820	
Less: Water sold				42,963	13
Volume pumped but not sold				1,857	14
Volume sold as a percent of volume pumped				96%	15
Volume used for water production, water quality and system maintenance				295	16
Volume related to equipment/system malfunction				527	17
Non-utility volume NOT included in water sales				216	18
Total volume not sold but accounted for				1,038	19
Volume pumped but unaccounted for				819	20
Percent of water lost				2%	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.)				473	23
Date of maximum: 8/21/2003					24
Cause of maximum:					25
High temperatures caused more watering					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				42	26
Date of minimum: 2/1/2003					27
Total KWH used for pumping for the year				282,006	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)	
SKYLINE	#1	457	10	20,000	Yes	1
VISTA DRIVE	#1	440	12	22,000	Yes	2
WEDGEWOOD	#1	375	12	25,000	Yes	3
ARBOR HILLS	#1	800	10	18,000	Yes	4

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	ARBOR HILL - BOOSTER	ARBOR HILL - BOOSTER #2	ARBOR HILLS	1
Location	ARBOR HILLS	ARBOR HILLS	ARBOR HILLS	2
Purpose		B	B	P 3
Destination		D	D	D 4
Pump Manufacturer	AURORA	FAIRBANKS	GOULD	5
Year Installed	2003	1970	1995	6
Type	CENTRIFUGAL	CENTRIFUGAL	OTHER	7
Actual Capacity (gpm)	250	300	285	8
Pump Motor or Standby Engine Mfr	AURORA	ALLIS CHALMER	AUTO-CON	9 10
Year Installed	2003	1970	1970	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	40	40	40	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	SKYLINE	VISTA	WEDGEWOOD	14
Location	SKYLINE	VISTA	WEDGEWOOD	15
Purpose		P	P	P 16
Destination		D	D	D 17
Pump Manufacturer	GOULD	GOULD	FAIRBANKS	18
Year Installed	1979	2003	1979	19
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	20
Actual Capacity (gpm)	250	150	165	21
Pump Motor or Standby Engine Mfr	FRANKLIN	GOULD	FRANKLIN	22 23
Year Installed	1968	2003	1979	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	40	30	30	26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification number or name	ARBOR HILLS	SKYLINE RESERVOIR-ADDITION		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	R	R	3
Year constructed	1970	1968	2001	4
Primary material (earthen, steel, concrete, other)	CONCRETE	CONCRETE	CONCRETE	5
Elevation difference in feet (See Headnote 3.)	0	210	210	6
Total capacity in gallons (actual)	63,000	10,000	35,000	7
WATER TREATMENT PLANT				8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID	LIQUID		9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE	WELLHOUSE		10
Filters, type (gravity, pressure, other, none)	NONE	NONE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	150.0000	150.0000		12
Is a corrosion control chemical used (yes, no)?	N	N		13
Is water fluoridated (yes, no)?	Y	Y		14

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	WEDGEWOOD		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		3
Year constructed	1977		4
Primary material (earthen, steel, concrete, other)	CONCRETE		5
Elevation difference in feet (See Headnote 3.)	231		6
Total capacity in gallons (actual)	153,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		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.)	150.0000		12
Is a corrosion control chemical used (yes, no)?	N		13
Is water fluoridated (yes, no)?	Y		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	4.000	6	0	0	0	6
M	D	6.000	22,534	0	0	0	22,534
M	D	8.000	6,299	0	0	0	6,299
Total Within Municipality			28,839	0	0	0	28,839
Total Utility			28,839	0	0	0	28,839

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	270	0	0	0	270	25	1
M	1.000	25	0	0	0	25	19	2
M	6.000	1	0	0	0	1		3
Total Utility		296	0	0	0	296	44	

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	253	0	22	0	231	0	1
0.750	114	0	0	0	114	0	2
1.000	2	0	0	0	2	0	3
2.000	1	0	0	0	1	0	4
6.000	1	0	0	0	1	0	5
Total:	371	0	22	0	349	0	

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	211	0	0	0	0	20	231	1
0.750	56	0	0	0	0	58	114	2
1.000	0	0	0	0	0	2	2	3
2.000	0	0	0	0	1	0	1	4
6.000	0	0	0	0	1	0	1	5
Total:	267	0	0	0	2	80	349	

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	50				50	2
Total Fire Hydrants	50	0	0	0	50	
Flushing Hydrants						
	1				1	3
Total Flushing Hydrants	1	0	0	0	1	

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

Number of hydrants operated during year:	50
Number of distribution system valves end of year:	74
Number of distribution valves operated during year:	74

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

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

A/C 600 decreased from prior year due to decrease in maintenance and testing activity from prior year.

A/C 620 Costs up due to increase in pumpage over prior year.

A/C 640 for prior year included costs for the District's scheduled round of safe drinking water testing.

A/C 650 for prior year included approx \$5300 for removing, televising and chlorinating the Skyline well.

A/C 688 for prior year included costs for a conventional water rate increase.

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

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

Arbor Hills Wellhouse pumping equipment improved to increase capacity and new pump and motor at the Wedgewood Valley Upper Well.

If Retirements for Accounts OTHER than 316, 343, 345, 346 or 348 exceed \$10,000, please explain.

Removed 60% of the cost of the generator purchased in 1993. This asset is now shared by the sewer utility. The asset was considered fully depreciated.

If Adjustments for any account are nonzero, please explain.

Reclassified \$652,738 to contributed fixed assets based on information provided in prior PSC reports.

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

If Adjustments for any account are nonzero, please explain.

Reclassification of beginning contributed fixed assets based on review of prior PSC reports.

Meters (Page W-19)

If Tested During Year column total is zero, please explain.

The District is on a meter change out program where meters are replaced rather than tested.
