



4004

ANNUAL REPORT

OF

Name: BALDWIN TELECOM, INC.

Principal Office: 930 MAPLE ST
P.O. BOX 420
BALDWIN, WI 54002-0420
PO Box Zip Code: 54002

For the Year Ended: DECEMBER 31, 2004

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
<http://psc.wi.gov>

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.

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required, unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, and select the appropriate program for Incumbent Local Exchange Carriers (LECs). If additional confidential treatment is desired, contact Christopher Larson at (608) 267-9508 or christopher.larson@psc.state.wi.us for instructions.
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-116. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Report all dollar amounts to the nearest thousand dollars. (Example: \$130,000 should be reported as \$130.)
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items. These items vary from year to year and are based on the Commission's decision regarding confidential items in the annual report.

GENERAL RULES FOR REPORTING

If additional provisional confidential treatment is desired, do not file the annual report electronically using the program's e-mail filing capabilities.

13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy of the annual report with the Commission.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. **Name Changes:**

If a name change (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at <http://www.wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

A name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

GENERAL RULES FOR REPORTING

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to an electronic filing (i.e., using the program's e-mail capabilities) with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

SIGNATURE PAGE

I LARRY KNEGENDORF of
(Person responsible for accounts)

BALDWIN TELECOM, INC. , certify that I
(Utility Name)

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

LARRY KNEGENDORF 05/09/2005
(Person responsible for accounts) (Date)

GENERAL MANAGER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: BALDWIN TELECOM, INC.
Utility Location: 930 MAPLE ST
P.O. BOX 420
BALDWIN, WI 54002-0420
P.O. BOX ZIP 54002

Utility (or Parent/Holding Company) Web Site Address:
baldwin-telecom.net

When was utility organized?: 01/01/1900

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:

Business Customers: (715) 684 - 3346 Ext:

Residential Customers: (715) 684 - 3346 Ext:

Primary Utility Contact (located at utility address)

Name: MR LARRY KNEGENDORF
Title: GENERAL MANAGER
Firm: BALDWIN TELECOM, INC.
Office Address: 930 MAPLE STREET
P.O. BOX 420
BALDWIN, WI 54002-0420
Fax Number: (715) 684 - 4747
Telephone Number: (715) 684 - 3346
Email Address: Larry.Knegendorf@Baldwin-telecom.net

Officer in charge of correspondence concerning this report

Name: MR LARRY KNEGENDORF
Title: GENERAL MANAGER
Office Address: 930 MAPLE STREET
P.O. BOX 420
BALDWIN, WI 54002-0420
Fax Number: (715) 684 - 4747
Telephone Number: (715) 684 - 3346
Email Address: Larry.Knegendorf@Baldwin-telecom.net

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

Name: MR STEVEN J. JOHNSON, CPA
Title: PRINCIPAL
Firm: OLSEN THIELEN & CO., LTD
Office Address: 223 LITTLE CANADA RD
ST. PAUL, MN 55117-1376
Fax Number: (651) 483 - 2467
Telephone Number: (651) 483 - 4521
Email Address: sjohnson@olsen-thielen.com

IDENTIFICATION AND OWNERSHIP

Person responsible for financial information contained in report

Name: MR LARRY KNEGENDORF
Title: GENERAL MANAGER

Office Address: 930 MAPLE STREET
P.O. BOX 420
BALDWIN, WI 54002-0420

Fax Number: (715) 684 - 4747
Telephone Number: (715) 684 - 3346
Email Address: Larry.knegendorf@Baldwin-telecom.net

Person responsible for statistical information contained in report

Name: MR LARRY KNEGENDORF
Title: GENERAL MANAGER

Office Address: 930 MAPLE STREET
P.O. BOX 420
BALDWIN, WI 54002-0420

Fax Number: (715) 684 - 4747
Telephone Number: (715) 684 - 3346
Email Address: Larry.Knegendorf@Baldwin-telecom.net

Contact person for regulatory inquiries and complaints

Name: MR LARRY KNEGENDORF
Title: GENERAL MANAGER
Firm: BALDWIN TELECOM, INC.

Office Address: 930 MAPLE STREET
P.O. BOX 420
BALDWIN, WI 54002-0420

Fax Number: (715) 684 - 4747
Telephone Number: (715) 684 - 3346
Email Address: Larry.Knegendorf@Baldwin-telecom.net

List names, addresses, and percent ownership interest held by persons owning 5 percent or more of outstanding voting securities or membership interests. If any stock (or interest) is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: VAR & CO - RAYMOND A. SOMSEN TRUST (US BANK NATL)
Address: 800 NICOLLET MALL
MINNEAPOLIS, MN 55402

Percent Interest Held: 7
Beneficial Owner: NONE

IDENTIFICATION AND OWNERSHIP

List names, addresses, and percent ownership interest held by persons owning 5 percent or more of outstanding voting securities or membership interests. If any stock (or interest) is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: VAR & CO - SALLY SOMSEN TRUST (US BANK NATL ASSOC)
Address: 800 NICOLLET MALL
MINNEAPOLIS, MN 55402

Percent Interest Held: 7
Beneficial Owner: NONE

Name: WILLIAM C. AND MURIEL HAWLEY
Address: 830 12TH AVENUE
BALDWIN, WI 54002

Percent Interest Held: 6
Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name: BALDWIN CELLCOM, INC.
Form of Interest: WHOLLY OWNED SUBSIDIARY
Extent Of Interest: WHOLLY OWNED SUBSIDIARY

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: DAVID MATTISON Title/Occupation: PRESIDENT Business Address (1): 880 MAIN STREET Business Address (2): Business Address (3): City State, Zip: BALDWIN, WI 54002	1
Name: DENNIS MATHISON Title/Occupation: SECRETARY/TREASURER Business Address (1): 145 MAIN STREET Business Address (2): Business Address (3): City State, Zip: WOODVILLE, WI 54028	2
Name: KENT WYNVEEN Title/Occupation: VICE PRESIDENT Business Address (1): 808 200TH STREET Business Address (2): Business Address (3): City State, Zip: BALDWIN, WI 54002	3
Name: LARRY KNEGENDORF Title/Occupation: DIRECTOR/MANAGER Business Address (1): 930 MAPLE STREET Business Address (2): Business Address (3): City State, Zip: BALDWIN, WI 54002	4
Name: PETER HAWLEY Title/Occupation: DIRECTOR Business Address (1): 2862 COUNTY ROAD DD Business Address (2): Business Address (3): City State, Zip: GLENWOOD CITY, WI 54013	5

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Operating Revenues			
Operating Revenues (5000-5300)	4,396	4,246	1
Total Operating Revenues	4,396	4,246	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	419	339	2
Other Plant Nonspecific Operations Expenses	1,482	1,524	3
Customer Operations Expense (6610-6620)	517	496	4
Corporate Operations Expense (6720-6790)	512	470	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	465	455	7
Total Operating Expenses	3,395	3,284	
Net Operating Income	1,001	962	
Other Income			
Nonoperating Income and Expense (7300)	87	64	8
Nonoperating Taxes (7400)	7	38	9
Interest and Related Items (7500)	529	534	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	(45)	62	12
Total Nonoperating Income	(494)	(446)	
Net Income	507	516	

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Company's principal line of business is providing local telephone service and access to long distance telephone service through its local exchange network. The Company is also a long distance service reseller. The principal market for these telecommunications services are local residential and business customers residing in each of the exchanges the Company serves. Cable Television (CATV) services are provided to customers in six CATV franchises. The revenues reported on the statement of income reflect the relative importance of each type of service.

Basis of Accounting

The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles including certain accounting practices prescribed by the Federal Communications Commission (FCC) and the state regulatory commission in Wisconsin.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Baldwin CellCom, Inc. All significant intercompany transactions and accounts have been eliminated.

Accounting Estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates market value.

Receivables

Receivables are reported at the amount the Company expects to collect on balances outstanding at year end. The Company monitors outstanding balances and periodically writes off balances that are determined to be uncollectible. The Company has concluded that losses on balances outstanding at year end will be immaterial.

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

Inventories

Materials and supplies are recorded at average cost. Inventories of communications equipment for resale are recorded at the lower of average cost or market.

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Securities

Readily marketable investments in debt and equity securities are classified as available-for-sale and are reported at fair value with unrealized gains and losses recorded in a separate component of stockholders' equity. Investments accounted for using the equity method of accounting and investments which do not have readily determinable fair market values are not affected by this accounting principle.

Realized gains and losses on dispositions are based on the net proceeds and the adjusted book value of the securities sold, using the specific identification method.

Investments

The Company follows the equity method of accounting for holdings of 20% to 50% of the voting stock of other operating companies. The equity method is also used for limited liability company interests in which management has influence over operating and financial activities. Other long-term investments are accounted for under the cost method of accounting. This method requires the Company to periodically evaluate whether non-temporary decreases in values of the investments have occurred, and if so, to write the investments down to net realizable values. As the Company is exempt from disclosing estimated fair values, the Company does not estimate fair values for cost method investments if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair values.

Goodwill

Included in other assets at December 31, 2004 is goodwill of \$159,671. It represents the excess of the purchase price for the 2004 CATV acquisition over the fair value of the net assets acquired. The goodwill is not subject to amortization, but will be reviewed annually for possible impairment.

Property and Depreciation

Property and equipment are recorded at original cost. Additions, improvements or major renewals are capitalized. If the assets are sold, retired or otherwise disposed of in the ordinary course of business, the cost plus removal costs less salvage is charged to accumulated depreciation, and the original cost is credited to the asset account. Any gains or losses on property and equipment retirements are reflected in accumulated depreciation.

Depreciation is computed using the straight-line method based on estimated

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

service or remaining useful lives of the various classes of depreciable assets. Composite depreciation rates are as follows:

2004 2003

Telecommunications Plant	6.4%	6.8%		
Nonregulated Telecommunications Equipment			11.1	10.6
CATV	7.4	8.2		
Revenue Recognition				

Revenues are recognized when earned. Interstate access service is based on average schedule settlements with the National Exchange Carrier Association and tariffs filed with the FCC. Local and intrastate access services are based on tariffs filed with the state regulatory commission.

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

- 3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes and Investment Credit

The provision for income taxes consists of an amount for taxes currently payable and a provision for tax consequences deferred to future periods. Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The major temporary differences that give rise to the net deferred tax liability are fixed asset depreciation and differing book and tax basis of LLC investments.

Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments. The Company places its temporary cash investments with high credit quality financial institutions and, by policy, generally limits the amount of credit exposure to any one financial institution. The bank accounts, at times, exceed federally insured limits. The Company believes it is not exposed to any significant risk on these accounts.

NOTE 2 - INVESTMENT SECURITIES AND OTHER COMPREHENSIVE INCOME

The cost and fair values of investment securities available-for-sale at December 31, 2004 and 2003 were:

GrossGrossContractual

UnrealizedUnrealizedFairMaturity

Description Cost Gains Losses Value Date

2004:

Federal Agency Bonds

and Notes \$346,794 \$6,578 \$(2,466) \$350,906 2006 - 2019

Local and State Agency

Bonds and Notes 194,480 20,559 (977) 214,062 2017 -

2025

Totals \$541,274 \$27,137 \$(3,443) \$564,968

2003:

Federal Agency Bonds

and Notes \$340,498 \$7,991 \$(1,383) \$347,106 2006 - 2032

Local and State Agency

Bonds and Notes 185,282 11,128 (1,127) 195,283 2017 -

2025

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

- -

Totals \$525,780 \$19,119 \$(2,510) \$542,389

Footnotes are continued in Annual Report Footnote

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY	Balance--FOY	
		(000's) (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	378	1,076	1
TOTAL CASH AND EQUIVALENTS	378	1,076	
RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS			
Receivables (1170)*	414	406	2
Allowance for Doubtful Accounts (1171)*	0		3
TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS	414	406	
SUPPLIES			
Inventories (1220)*	312	334	4
TOTAL SUPPLIES	312	334	
PREPAYMENTS			
Prepayments (1280)*	0	20	5
TOTAL PREPAYMENTS	0	20	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	633	379	6
TOTAL OTHER CURRENT ASSETS	633	379	
TOTAL CURRENT ASSETS	1,737	2,215	
NONCURRENT ASSETS			
INVESTMENTS			
Nonregulated Investments (1406)*	4,398	2,522	7
RTB Class B Stock (1402)*	327	327	8
Other Noncurrent Assets (1410)*	3,613	4,047	9
TOTAL INVESTMENTS	8,338	6,896	
DEFERRED CHARGES			
Deferred Maint., Retirements and Other Deferred Charges (1438)*	0	1	10
TOTAL DEFERRED CHARGES	0	1	
OTHER JURISDICTIONAL ASSETS-NET			
Other Jurisdictional Assets-Net (1500)*	0	0	11
TOTAL OTHER JURISDICTIONAL ASSETS-NET	0	0	
TOTAL NONCURRENT ASSETS	8,338	6,897	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	19,166	18,153	12
Less: Accumulated Depreciation (3100)*	10,278	9,204	13
Less: Accumulated Amortization-Tangible (3400)*	0	0	14
Less: Accumulated Amortization-Capitalized Leases (3410)		0	15
NET TELECOMMUNICATIONS PLANT IN SERVICE	8,888	8,949	
PROPERTY HELD FOR FUTURE USE			
Property Held for Future Telecommunications Use (2002)*	0	0	16
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)*	0	0	17
NET PROPERTY HELD FOR FUTURE USE	0	0	

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
PLANT			
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	18
Less: Accumulated Depreciation-Nonoperating (3300)*	0	0	19
NET NONOPERATING PLANT	0	0	
TPUC			
Telecommunications Plant Under Construction (2003)*	6	6	20
TOTAL TPUC	6	6	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	21
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
GOODWILL			
Goodwill (2007)*	0	0	22
TOTAL GOODWILL	0	0	
TOTAL PLANT	8,894	8,955	
TOTAL ASSETS AND OTHER DEBITS	18,969	18,067	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
CURRENT LIABILITIES			
Notes Payable (4020)*	0	0	1
Other Current Accounts and Notes Payable (4000)*	542	461	2
Customers' Deposits (4040)*	0	1	3
Income Taxes-Accrued (4070)*		0	4
Other Taxes-Accrued (4080)*	64	49	5
Net Current Deferred Operating Income Taxes (4100)*		0	6
Net Current Deferred Nonoperating Income Taxes (4110)*		0	7
Current Maturities-Long-Term Debt (4050)*	863	860	8
Current Maturities-Capital Leases (4060)*		0	9
Other Current Liabilities (4130)*	39	27	10
TOTAL CURRENT LIABILITIES	1,508	1,398	
LONG-TERM DEBT			
Long-Term Debt and Funded Debt (4200)*	9,226	8,992	11
TOTAL LONG-TERM DEBT	9,226	8,992	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300)*	66	53	12
Unamortized Operating Investment Tax Credits-Net (4320)*		0	13
Unamortized Nonoperating Investment Tax Credits-Net (4330)*		0	14
Net Noncurrent Deferred Operating Income Taxes (4340)*	926	1,034	15
Net Deferred Tax Liability Adjustments (4341)*	0	0	16
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	868	459	17
Deferred Tax Regulatory Adjustments-Net (4361)*			18
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*			19
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	1,860	1,546	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	414	417	20
Additional Paid-in Capital (4520)*		0	21
Treasury Stock (4530)*		0	22
Other Capital (4540)*	14	10	23
Retained Earnings (4550)*	5,947	5,704	24
TOTAL STOCKHOLDERS' EQUITY	6,375	6,131	
TOTAL LIABILITIES AND OTHER CREDITS	18,969	18,067	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates. Provide details and dollar amounts for increases and decreases, respectively, by revenue category noted on Operating Revenues schedule.

None

-
2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Baldwin Cellcom, Inc.	CELLCOM	1
Wisconsin Independent Telecommunications System, Inc.	WITS	2

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25 (,000) or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000 (,000), individual contracts or arrangements not exceeding \$100 (,000) may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)
Docket	None			
Name of Affiliate	CELLCOM			1
Designate whether billed to or from:	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C			3
Total Dollar Activity (000's)	(414)			4
Percent of affiliate's business billed to all affiliated regulated utilities				5
If cost based, rate of return on equity or markup incorporated in billings				6
Footnotes				

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "Other" for a particular account.

Name of Affiliate (a)	Account Number (b)	Balance EOY (000's) (c)	
Baldwin Cellcom, Inc.	1410	2,143	1
Wisconsin Independent Telecommunications System, Inc.	1410	35	2

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
GENERAL SUPPORT ASSETS				
Land	2111	157		1
Motor Vehicles	2112	322	23	2
Aircraft	2113			3
Tools and Other Work Equipment	2114	263	11	4
Buildings	2121	1,663	10	5
Furniture	2122	161	16	6
Office Equipment	2123	82	3	7
General Purpose Computers	2124	252	29	8
TOTAL GENERAL SUPPORT ASSETS		2,900	92	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211			9
Digital Electronic Switching	2212	3,350	79	10
Operator Systems	2220			11
Radio Systems	2231	31		12
Circuit Equipment	2232	1,947	219	13
TOTAL CENTRAL OFFICE ASSETS		5,328	298	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311			14
Customer Premises Wiring	2321			15
Large Private Branch Exchanges	2341			16
Public Telephone Terminal Equipment	2351			17
Other Terminal Equipment	2362	34		18
TOTAL INFORMATION ORIG/TERM ASSETS		34	0	
CABLE & WIRE FACILITIES ASSETS				
Poles	2411			19
Aerial Cable	2421	0	0	20
Underground Cable	2422	2,449	412	21
Buried Cable	2423	6,544	328	22
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	0	0	24
Aerial Wire	2431			25
Conduit Systems	2441	898		26
TOTAL CABLE & WIRE FACILITIES ASSETS		9,891	740	
AMORTIZABLE ASSETS				
Capital Leases	2681			27
Leasehold Improvements	2682			28
Intangibles	2690			29
TOTAL AMORTIZABLE ASSETS		0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2111			157	1
2112	15		330	2
2113			0	3
2114	4		270	4
2121			1,673	5
2122			177	6
2123			85	7
2124	44		237	8
	63	0	2,929	
2211			0	9
2212	48	0	3,381	10
2220			0	11
2231			31	12
2232	0	0	2,166	13
	48	0	5,578	
2311			0	14
2321			0	15
2341			0	16
2351			0	17
2362			34	18
	0	0	34	
2411			0	19
2421	0	0	0	20
2422	0	0	2,861	21
2423	6	0	6,866	22
2424	0	0	0	23
2426	0	0	0	24
2431			0	25
2441			898	26
	6	0	10,625	
2681			0	27
2682			0	28
2690			0	29
	0	0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
TOTAL TELECOM. PLANT IN SERVICE	2001	18,153	1,130	
Less: Allocation to Nonregulated Activity - EOY	2001			30
NET REG TOTAL TELECOM. PLANT IN SERVICE - EOY 2001				

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)
2001	117	0	19,166
2001			
2001			19,166

30

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
Digital Electronic Switching - Circuit	2212.1	424	32	1
Digital Electronic Switching - Packet	2212.2	2,926	47	2
Circuit Equipment - Electronic	2232.1	1,781	32	3
Circuit Equipment- Optical	2232.2	166	187	4
Aerial Cable - Nonmetallic	2421.1			5
Aerial Cable - Metallic	2421.2			6
Underground Cable - Nonmetallic	2422.1	2,097	412	7
Underground Cable - Metallic	2422.2	352		8
Buried Cable - Nonmetallic	2423.1			9
Buried Cable - Metallic	2423.2	6,544	328	10
Submarine and Deep Sea Cable - Nonmetallic	2424.1			11
Submarine and Deep Sea Cable - Metallic	2424.2			12
Intrabuilding Cable - Nonmetallic	2426.1			13
Intrabuilding Cable - Metallic	2426.2			14

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2212.1			456	1
2212.2	48		2,925	2
2232.1			1,813	3
2232.2			353	4
2421.1			0	5
2421.2			0	6
2422.1			2,509	7
2422.2			352	8
2423.1			0	9
2423.2	6		6,866	10
2424.1			0	11
2424.2			0	12
2426.1			0	13
2426.2			0	14

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	316	18.2000	28		1
Aircraft	2113					2
Tools and Other Work Equipment	2114	230	9.1000	23		3
Buildings	2121	610	3.3000	57		4
Furniture	2122	161	10.0000	16		5
Office Equipment	2123	82	20.0000	3		6
General Purpose Computers	2124	252	20.0000	29		7
TOTAL GENERAL SUPPORT ASSETS		1,651		156	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211					8
Digital Electronic Switching	2212	2,353	9.7000	317	0	9
Operator Systems	2220					10
Radio Systems	2231	30	11.6000			11
Circuit Equipment	2232	1,227	11.6000	217	0	12
TOTAL CENTRAL OFFICE ASSETS		3,610		534	0	
INFORMATION ORIGINATION/TERMINATION ASSETS						
Station Apparatus	2311					13
Customer Premises Wiring	2321					14
Large Private Branch Exchanges	2341					15
Public Telephone Terminal Equipment	2351					16
Other Terminal Equipment	2362	34	12.5000			17
TOTAL INFORMATION ORIG/TERM ASSETS		34		0	0	
CABLE & WIRE FACILITIES ASSETS						
Poles	2411					18
Aerial Cable	2421	0		0	0	19
Underground Cable	2422	745	5.0000	134	0	20
Buried Cable	2423	2,755	5.0000	335	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	0		0	0	23
Aerial Wire	2431					24
Conduit Systems	2441	409	3.5000	31		25
TOTAL CABLE & WIRE FACILITIES ASSETS		3,909		500	0	
Total Accumulated Depreciation	3100	9,204		1,190	0	
Less: Nonreg Accumulated Depreciation	3100					26
Net Reg Total Accumulated Depreciation	3100			1,190	0	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2112	15		1		330	1
2113	0				0	2
2114	4				249	3
2121	0				667	4
2122	0				177	5
2123	0				85	6
2124	44				237	7
	63	0	1	0	1,745	
2211	0				0	8
2212	48	0	0	0	2,622	9
2220	0				0	10
2231	0				30	11
2232	0	0	0	0	1,444	12
	48	0	0	0	4,096	
2311	0				0	13
2321	0				0	14
2341	0				0	15
2351	0				0	16
2362	0				34	17
	0	0	0	0	34	
2411	0				0	18
2421	0	0	0	0	0	19
2422	0	0	0	0	879	20
2423	6	0	0	0	3,084	21
2424	0	0	0	0	0	22
2426	0	0	0	0	0	23
2431	0				0	24
2441	0				440	25
	6	0	0	0	4,403	
3100	117	0	1	0	10,278	
3100						26
3100					10,278	

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount or subsidiary record. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
Digital Electronic Switching - Circuit	2212.1	424	9.7	32		1
Digital Electronic Switching - Packet	2212.2	1,929	9.7	285		2
Circuit Equipment - Electronic	2232.1	1,217	11.6	186		3
Circuit Equipment- Optical	2232.2	10	11.6	31		4
Aerial Cable - Nonmetallic	2421.1					5
Aerial Cable - Metallic	2421.2					6
Underground Cable - Nonmetallic	2422.1	512	5.0	117		7
Underground Cable - Metallic	2422.2	233	5.0	17		8
Buried Cable - Nonmetallic	2423.1					9
Buried Cable - Metallic	2423.2	2,755	5.0	335		10
Submarine and Deep Sea Cable - Nonmetall	2424.1					11
Submarine and Deep Sea Cable - Metallic	2424.2					12
Intrabuilding Cable - Nonmetallic	2426.1					13
Intrabuilding Cable - Metallic	2426.2					14

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2212.1	0				456	1
2212.2	48				2,166	2
2232.1	0				1,403	3
2232.2	0				41	4
2421.1	0				0	5
2421.2	0				0	6
2422.1	0				629	7
2422.2	0				250	8
2423.1	0				0	9
2423.2	6				3,084	10
2424.1	0				0	11
2424.2	0				0	12
2426.1	0				0	13
2426.2	0				0	14

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	5,704	5,499	1
Changes:			
Balance Transferred from Income	507	516	2
Dividends Declared:			
Common	217	219	3
Preferred			4
Total Dividends Declared	217	219	
Miscellaneous Debits to Retained Earnings	47	92	5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>5,947</u>	<u>5,704</u>	

REVENUES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	1,386	1,369	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	1,386	1,369	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	456	453	5
Switched Access Revenue (5082)*	1,154	1,018	6
Special Access Revenue (5083)*	263	294	7 1
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	1,873	1,765	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	0	0	8
Switched Access Revenue (5082)*	548	542	9
Special Access Revenue (5083)*	244	193	10
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	792	735	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	1	(9)	11
TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.	1	(9)	
MISCELLANEOUS & NONREGULATED REVENUES			
Miscellaneous Revenue (5200)*	364	357	12
Directory Revenue (5230)			13
Nonregulated Operating Revenue (5280)*			14
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	364	357	
GROSS OPERATING REVENUES	4,416	4,217	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	20	(29)	15 2
TOTAL UNCOLLECTIBLE REVENUES	20	(29)	
TOTAL OPERATING REVENUES	4,396	4,246	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	997	858	1
LESS: NONREGULATED	578	519	2
NET REGULATED PLANT SPECIFIC OPERATIONS EXPENSE	419	339	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Other Property, Plant and Equip. Exp. (6510)			3
Network Operations Expense (6530)	141	129	4
Access Expense (6540)	885	819	5
Depreciat. Exp.--Tele. Plant in Service (6561)	1,673	1,568	6
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)			7
Amortization Expense--Tangible (6563)			8
Amortization Expense--Intangible (6564)			9
Amortization Expense--Other (6565)			10
Depreciation and Amortization Expense (6560)	1,673	1,568	11
TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE	2,699	2,516	12
LESS: NONREGULATED	1,217	992	13
NET REGULATED PLANT NONSPECIFIC OPERATIONS EXPENSE	1,482	1,524	
CUSTOMER OPERATIONS EXPENSE			
Marketing (6610)	87	65	14
Services (6620)	656	605	15
TOTAL CUSTOMER OPERATIONS EXPENSE	743	670	16
LESS: NONREGULATED	226	174	17
NET REGULATED CUSTOMER OPERATIONS EXPENSE	517	496	
CORPORATE OPERATIONS EXPENSE			
TOTAL CORPORATE OPERATIONS EXPENSE	709	600	18
LESS: NONREGULATED	197	130	19
NET REGULATED CORPORATE OPERATIONS EXPENSE	512	470	
TOTAL EXPENSES	5,148	4,644	
LESS: NONREGULATED	2,218	1,815	
NET REGULATED EXPENSES	2,930	2,829	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (000's) (b)	
Gross Operating Revenues	4,416	1
Plus: Collection of amounts previously written off	4	2
Less: Uncollectibles written off during the year	24	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): Other	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	4,396	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	1,386	1
Plus: Total Intrastate Access Revenues (5081-5083)	792	2
Plus: Total Long Distance Network Services Revenue	1	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): Other	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	2,179	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
TOTAL OTHER OPERATING INCOME AND EXPENSE (7100)	0	0	1
LESS: NONREGULATED	0	0	2
NET REGULATED OTHER OPERATING INCOME AND EXPENSE (7100)	0	0	
TOTAL OPERATING TAXES (7200)	504	507	3
LESS: NONREGULATED	39	52	4
NET REGULATED OPERATING TAXES (7200)	465	455	
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	107	75	5
LESS: NONREGULATED	20	11	6
NET REGULATED NONOPERATING INCOME AND EXPENSE (7300)	87	64	
TOTAL NONOPERATING TAXES (7400)	15	42	7
LESS: NONREGULATED	8	4	8
NET REGULATED NONOPERATING TAXES (7400)	7	38	
TOTAL INTEREST AND RELATED ITEMS (7500)	540	534	9
LESS: NONREGULATED	11	0	10
NET REGULATED INTEREST AND RELATED ITEMS (7500)	529	534	
TOTAL EXTRAORDINARY ITEMS (7600)	0	0	11
LESS: NONREGULATED	0	0	12
NET REGULATED EXTRAORDINARY ITEMS (7600)	0	0	
TOTAL NONREGULATED NET INCOME (7990)	(45)	62	13
TOTAL OTHER INCOME ACCOUNTS	(997)	(946)	
TOTAL NONREGULATED	(83)	17	
TOTAL NET REGULATED OTHER INCOME ACCOUNTS	(914)	(963)	

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity	
(a)	
Customer Premises Equipment (CPE)	1
Inside Wiring	2
Payphones	3

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Extended Community Calling	59	229	1
Other Local-Undefined			2 5
Total Local	59	229	
TOLL			
Toll	386	1,147	3
Total Toll	386	1,147	
Total Local & Toll	445	1,376	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A & B -- Originating					1
Feature Group A & B -- Terminating					2
Feature Group C -- Originating			204		3
Feature Group C -- Terminating			44		4
Feature Group D -- Originating	8,898	1,724	2,942		5
Feature Group D -- Terminating	8,700	1,209	3,194		6

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	151	1
Route miles of plant - microwave	0	2

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	4	1
56/64 kbps (DS0)	9	9	2
1.54 Mbps (DS-1)	33	5	3
45 Mbps (DS-3)	0	3	4 3
SONET OC-1 (51.84 Mbps)	0	0	5
SONET OC-3 (155.52 Mbps)	0	0	6
SONET OC-12 (622.08 Mbps)	0	0	7
SONET OC-48 (2.488 Gbps)	0	0	8
SONET OC-192 (9.953 Gbps)	0	0	9
SONET OC-768 (39.812 Gbps)	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	878	830	3
PBX Trunks/Centrex & Key System Trunks	518	512	4
Centrex Lines			5
FX-Out (Switched)			6
Pay Telephone	3	3	7
Other	230	223	8
Total Business Lines	1,629	1,568	9
Residential (Incl. Emp. Concess.)			
1 Party	3,266	3,198	10
FX-Out (Switched)			11
Other			12
Total Residential Lines	3,266	3,198	13
Total Bus & Res Lines	4,895	4,766	14
Company Total Lines Used	18	18	15
Total Lines Used	4,913	4,784	16
Miscellaneous			
WATS Lines - OutWATS	1	0	17
WATS Lines - 800 Service		0	18
FX-In-intraLATA	4	5	19
Special Access-intraLATA (expressed in equiv. access lines)	160	805	20
Special Access-interLATA (expressed in equiv. access lines)	471	803	21
Feature Group C Trunks		0	22
Feature Group D Trunks	336	384	23
TSPS - Trunks	10	10	24
EAS and ECC - Trunks	120	120	25
Cellular Trunks (Pub. Sw. Net.)	0	0	26
Customers			
Number of Lifeline customers at FOY (January 1, 2004) and EOY (December 31, 2004):	0	121	27
Number of Linkup customers connected during FOY (Calendar year 2003) and EOY (Calendar year 2004):	67	53	28
Other			
Total Company Square Miles	135	135	29
Total Company Route Miles	570	570	30
Footnotes			31

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0290	6030			1
Business					2
1 Party	656	174			3
PBX Trunks/Centrex & Key System Trunks	409	103			4
Centrex Lines					5
FX-Out (Switched)					6
Pay Telephone	2	1			7
Other	208	15			8
Total Business Lines	1,275	293	0	0	9
Residential (Incl. Emp. Concess.)					10
1 Party	2,309	889			11
FX-Out (Switched)					12
Other					13
Total Residential Lines	2,309	889	0	0	14
Total Bus & Res Lines	3,584	1,182	0	0	15
Company Total Lines Used	17	1			16
Total Lines Used	3,601	1,183	0	0	17
Miscellaneous					18
WATS Lines - OutWATS	0	0			19
WATS Lines - 800 Service	0				20
FX-In-intraLATA	4	1			21
Special Access-intraLATA (equiv. access lines)	779	26			22 23
Special Access-interLATA (equiv. access lines)	801	2			24 25
Feature Group C Trunks	0				26
Feature Group D Trunks	384				27
TSPS - Trunks	10				28
EAS and ECC - Trunks	120				29
Cellular Trunks (Pub. Sw. Net.)	0				30
Other					31
Exchange Square Miles	94	41			32
Exchange Route Miles	355	215			33
Footnotes					34

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Advanced Fiber Communication	AFC	1
Alcatel	AL	2
ATTC	ATT	3
Digital Loop Carrier	DLC	4
GTE	GTE	5
ITT	ITT	6
Lucent	ATT/LUC	7
Northern Telecom	NTI	8
Siemens	SI	9
Stromberg-Carlson	SC	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electronic--Digital	D	1
Electronic--Video	V	2
IP-Packet	P	3

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	BALDWIN	WOODVILLE			1
PSCW Exchange ID	0290	6030			2
Central Office Name	BALDWIN	WOODVILLE			3
PSCW Central Office ID	1	1			4
Central Office CLLI Code	BLDWWIXADS0	WDVLWIXARS0			5
Manufacturer of COE (Page 54)	NTI	NTI			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote, (D)igital Loop Carrier	H	R			8
Remote Host PSCW Exchange ID		0290			9
Remote Host Central Office CLLI Code		BLDWWIXADSA			10
COE Generic Software Release No.	505.1	505.1			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	3,618	1,181			14
Trunks - In Use	538	416			15
ISDN Available?	Yes	Yes			16
ISDN Lines - In Use (BRI)	7	1			17
- In Use (PRI)	16	0			18
DSL Service Available?	Yes	Yes			19
- In Use (# lines)	191	74			20
End User VoIP Available?	No	No			21
Digital Service Available: DS-1 - In Use	82	17			22
DS-3 - In Use	3	0			23
OC-3 - In Use	0				24
Advanced Data Service Available:					25
Packet Switching?	No	No			26
Frame Relay?	No	No			27
ATM (Asynchronous Trans. Mode)?	No	No			28
Fiber Transmission Facilities:					29
No. of fiber strands entering C.O.	400	204			30
No. of fiber strands working (LIT) in C.O.	124	78			31
No. of fiber strands for interoffice use	17	1			32
Miles of fiber sheath in wire center	96	55			33
Access Tandem Serving this C.O.:					34
- C.O. Name	EAU CLAIRE	EAU CLAIRE			35
- PSCW C.O. CLLI Code	EUCLWI0161T	EUCLWI0161T			36
Does this C.O. do access tandem switching?	No	No			37
Footnotes					38

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote**

Board of Directors
Baldwin Telecom, Inc.
Baldwin, Wisconsin

We have compiled the accompanying balance sheet (Pages 10 and 11) of Baldwin Telecom, Inc. as of December 31, 2004 and 2003, and the related statement of income (Page 8) and retained earnings (Page 37) for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards of Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information in Pages 9, 15 to 29, 40 to 45, and 56 of the accompanying prescribed form.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them. These financial statements were compiled by us from financial statements for the same periods that we previously audited, as indicated in our report dated January 14, 2005.

These financial statements (Pages 8, 10, 11, and 37) and the supplementary information in Pages 9, 15 to 29, 40 to 45 and 56 are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from accounting principles generally accepted in the United States of America. Accordingly, the financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained in Pages 1 to 7, 13, 14, 47 to 55 and 58 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and accordingly, we assume no responsibility for that information.

May 3, 2005

Continued from Page 9:

NOTE 2 - INVESTMENT SECURITIES AND OTHER COMPREHENSIVE INCOME (Continued)

Proceeds from sales and maturities of investment securities available-for-sale during 2004 and 2003 were \$207,181 and \$241,840. Gross gains and (losses) on those sales and maturities were \$2,284 and \$(1,345) in 2004 and \$170 and \$(12,139) in 2003.

Changes in other comprehensive income are as follows:

Tax

Before (Expense) Net-of-Tax

Tax Benefit Amount

2004:

Unrealized Gains on Available-for-Sale Securities \$8,024

\$(3,147) \$4,877

Reclassification Adjustment for Gains

Recognized in Net Income (939) 369 (570)

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GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

Recognized in Net Income (2004) 2003 (2002)

Net Unrealized Gain \$7,085 \$(2,778) \$4,307

2003:

Unrealized Losses on Available-for-Sale Securities \$(23,528) \$9,227
 \$(14,301)

Reclassification Adjustment for Losses

Recognized in Net Income 11,969 (4,694) 7,275

Net Unrealized Loss \$(11,559) \$4,533 \$(7,026)

As of December 31, 2004 and 2003 the accumulated other comprehensive income consisted of the following:

2004 2003

Unrealized Gains on Available-for-Sale Securities \$23,694 \$16,609

Deferred Income Tax Liability (9,291) (6,513)

Net \$14,403 \$10,096

NOTE 3 - INVESTMENT IN LLCS

The Company has a wholly owned subsidiary, Baldwin CellCom, Inc., which has investments as follows:

Percent

of 2004

Owner- Cumulative 2003

Equity Method ship Cost Loss Total Total

NEXTGEN

Communications, LLC 50.00% \$1,056,002 \$(286,107) \$769,895
 \$793,670

Vision Communications,
 LLC (Vision) 16.67% 240,011 (219,457) 20,554 35,201

Subtotal \$1,296,013 \$(505,564) 790,449 828,871

Cost Method

Midwest Wireless

Holdings, LLC (MWH) 0.82% 2,564,930 2,564,930

Communications Manage-
 ment Group, LLC 3.23% 141,540 141,540

Total \$3,496,919 \$3,535,341

LLC income consists of the following:

2004 2003

Equity in Loss:

NEXTGEN Communications, LLC \$(23,775) \$(60,306)

Vision Communications, LLC (14,647) (16,200)

Subtotal (38,422) (76,506)

Distributions from Cost Method Investee - MWH 75,250 78,036

Total Income \$36,828 \$1,530

Future capital contributions may be required. Summarized financial information (not audited) presented in aggregate for the equity method investees, NEXTGEN Communications, LLC and Vision Communications, LLC, is as follows:

2004 2003

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

2004 2003

Revenue \$711,377 \$660,649
 Operating Loss (134,070) (245,020)
 Net Loss (132,395) (243,119)
 Total Assets 1,957,607 2,098,132
 Total Liabilities 57,106 76,538
 Total Equity 1,900,501 2,021,594
 NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

The Company's investment in property, plant and equipment consists of the following:

Service Life
 (Years) 2004 2003

Telecommunications Plant: 3.33 to 30.00
 In Service \$19,165,906 \$18,153,589
 Under Construction 6,058 6,058
 Total 19,171,964 18,159,647
 Less Accumulated Depreciation 10,278,628 9,204,204
 Net 8,893,336 8,955,443

Nonregulated Telecommunications Equipment: 8.00
 In Service 755,697 573,328
 Less Accumulated Depreciation 336,575 263,555
 Net 419,122 309,773

CATV Plant: 5.00 to 27.00
 In Service 6,658,544 4,410,817
 Less Accumulated Depreciation 2,260,289 1,888,745
 Net 4,398,255 2,522,072
 Service Life
 (Years) 2004 2003

Totals: 3.33 to 30.00
 In Service \$26,580,147 \$23,137,734
 Under Construction 6,058 6,058
 Total 26,586,205 23,143,792
 Less Accumulated Depreciation 12,875,492 11,356,504

Net \$13,710,713 \$11,787,288
 NOTE 5 - ACQUISITION

On June 30, 2004, the Company acquired the CATV system for the Township of Hudson, Wisconsin, from North American Communications Corporation for \$98,875 cash and a note payable of \$395,500. The purchase method was used to account for the acquisition and, the purchase price was allocated as follows:

CATV Plant \$334,704
 Goodwill 159,671

Total \$494,375

The 2004 consolidated statement of income includes the operations of the acquired system from the date of the acquisition to the end of the year.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**NOTE 6 - LINES OF CREDIT**

The Company has a line of credit with First National Bank of Baldwin which enables the Company to borrow up to \$500,000 at the prevailing prime interest rate due on June 2, 2005. The loan is secured by investment securities owned by the Company. The balance outstanding on this loan at December 31, 2004 and 2003 was \$400,000 and \$0.

In 2004, the Company obtained a line of credit with Rural Telephone Finance Cooperative which enables the Company to borrow up to \$500,000 at the prevailing prime interest rate plus one and one-half percent due July 28, 2006. There is no balance outstanding as of December 31, 2004

NOTE 7 - LONG-TERM DEBT

Long-term debt is as follows:

	2004	2003
RUS:		
0% Economic Development Loan	\$495,833	\$645,833
2% - 6.28%	4,481,255	4,038,477
RTB:		
5.17% - 7.5%	4,609,469	4,912,421
RTFC:		
Variable Rate -	255,508	
North American Communications Corporation:		
6%	361,114	-
Construction Contracts Payable	141,137	-
Total	10,088,808	9,852,239
Less Amount Due Within One Year	862,600	860,000

Long-Term Debt \$9,226,208 \$8,992,239

The mortgage notes payable to the Rural Utilities Service (RUS) and to the Rural Telephone Bank (RTB) are secured by substantially all assets of the Company. These notes are payable in equal monthly and quarterly installments of principal and interest will be fully repaid at various times from 2009 to 2022.

The five year note payable to the Rural Telephone Finance Cooperative (RTFC) was paid in full in 2004.

Unadvanced loan funds on RUS and RTB loan commitments of \$9,810,000 and \$6,097,350, are available to the Company as of December 31, 2004.

Portions of these funds will be used to finance construction contracts payable, which have been classified as long-term debt.

All RUS and RTB loan funds are deposited in the RUS Construction Fund, and disbursements are restricted to construction costs and other expenditures authorized by the loan agreement, subject to RUS approval.

RTFC stock was purchased pursuant to terms of the note agreement. RTB Class B stock was purchased pursuant to terms of a mortgage loan agreement with the RTB. The Class B stock will not be redeemed by the RTB until all Class A stock has been redeemed.

The 0% Economic Development Loans are payable in monthly installments of \$4,167 through 2008. The proceeds from the loans were advanced to unrelated businesses from whom the Company has 0% notes receivable which

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

are collectible in monthly installments equal to those of the Economic Development Loans payable. In accordance with the Public Service Commission of Wisconsin guidelines, the notes receivable are classified as Investment in Nonaffiliated Companies.

The unsecured promissory note to North American Communications Corporation is payable in monthly installments of principal and interest through July 2009.

Principal payments required during the next five years are: 2005 \$862,600; 2006 \$901,300; 2007 \$907,600; 2008 \$909,000; and 2009 \$818,000.

Long-term debt agreements contain restrictions on dividends and redemptions of equity capital. Retained earnings available for dividend distribution totaled \$1,898,000 as of December 31, 2004

NOTE 8 - INCOME TAXES

The provision for income tax expense includes the following components:

2004 2003

Current Expense (Benefit) \$67,183 \$(59,928)
Deferred 266,685 436,046

Total \$333,868 \$376,118

The Company files a consolidated federal income tax return with its subsidiary and a separate state income tax return. The consolidated amount of current and deferred tax expense is allocated to group members based on a method similar to applying SFAS No. 109 to each member of the group on an individual basis.

Federal Income Tax return operating loss carryovers as of December 31, 2004 were \$684,787 and will expire in 2024.

The components of deferred income taxes at December 31, 2004 and 2003 are as follows:

2004 2003

Deferred Tax Assets:

Deferred Revenue \$2,791 \$7,144
Federal Net Operating Loss 232,828 -
Other 23,296 10,666
Total Deferred Tax Assets 258,915 17,810

Deferred Tax Liabilities:

Depreciation (2,043,257) (1,504,511)
Investment in LLCs (954,147) (985,102)
Investment Securities (9,291) (6,513)
Total Deferred Tax Liabilities (3,006,695) (2,496,126)

Net Deferred Tax Liabilities \$(2,747,780) \$(2,478,316)

NOTE 9 - RETIREMENT PLAN

The Company has a defined contribution plan for its employees who meet certain age and service requirements. Contributions to the plan are 3% of the qualified employee salaries, determined annually by the Board of Directors. The Company's expense for the defined contribution plan was

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

\$22,933 and \$22,447 in 2004 and 2003.

Schedule Footnotes

Identification and Ownership Footnote. Page 7

Accumulated Depreciation Class A & B Footnote. Page 26

Revenues - Class A & B (Class B Use Accounts Designated By *) Footnote. Page 40

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

Special Access Circuits in Use at End of Year Footnote. Page 49

Schedule Line Footnotes

- 1) Decrease due to 2003 including \$25,000 back billing from 2002.
- 2) In 2003, BTI received \$38,998 thru NECA for the Global Crossing bankruptcy settlement.
- 3) InterLATA 45 Mbps (DS-1) is zero.
- 4) Increase due to changes in traffic routing.
- 5) Data is not available.
- 6) Increase due to acquisition of new CATV service area.
- 7)

Communities where Basic Local Service is offered to New Customers

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Saint Croix	BALDWIN	Town	1
Saint Croix	BALDWIN	Village	2
Saint Croix	CADY	Town	3
Saint Croix	EAU GALLE	Town	4
Saint Croix	EMERALD	Town	5
Saint Croix	ERIN PRAIRIE	Town	6
Pierce	GILMAN	Town	7
Saint Croix	HAMMOND	Town	8
Pierce	MARTELL	Town	9
Saint Croix	PLEASANT VALLEY	Town	10
Saint Croix	RUSH RIVER	Town	11
Saint Croix	SPRINGFIELD	Town	12
Saint Croix	WOODVILLE	Village	13