



3015 (02-02-05)

ANNUAL REPORT

OF

Name: HIGHLAND MUNICIPAL WATER UTILITY

Principal Office: 530 MAIN ST
P.O. BOX 284
HIGHLAND, WI 53543

For the Year Ended: DECEMBER 31, 2004

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.

TABLE OF CONTENTS

Schedule Name	Page
General Rules for Reporting	i
Signature Page	ii
Table of Contents	iii
Identification and Ownership	iv
FINANCIAL SECTION	
Income Statement	F-01
Income Statement Account Details	F-02
Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)	F-03
Revenues Subject to Wisconsin Remainder Assessment	F-04
Balance Sheet	F-05
Net Utility Plant	F-06
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110.1)	F-07
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110.2)	F-08
Net Nonutility Property (Accts. 121 & 122)	F-09
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-10
Materials and Supplies	F-11
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-12
Capital Paid in by Municipality (Acct. 200)	F-13
Bonds (Acct. 221)	F-14
Notes Payable & Miscellaneous Long-Term Debt	F-15
Taxes Accrued (Acct. 236)	F-16
Interest Accrued (Acct. 237)	F-17
Balance Sheet End-of-Year Account Balances	F-18
Return on Rate Base Computation	F-19
Important Changes During the Year	F-20
Full-Time Employees (FTE)	F-21
Regulatory Liability - Pre-2003 Historical Accumulated Depreciation on Contributed Utility	F-22
Financial Section Footnotes	F-23
WATER OPERATING SECTION	
Water Operating Revenues & Expenses	W-01
Water Operating Revenues - Sales of Water	W-02
Sales for Resale (Acct. 466)	W-03
Other Operating Revenues (Water)	W-04
Water Operation & Maintenance Expenses	W-05
Taxes (Acct. 408 - Water)	W-06
Property Tax Equivalent (Water)	W-07
Water Utility Plant in Service --Plant Financed by Utility or Municipality--	W-08
Water Utility Plant in Service --Plant Financed by Contributions--	W-10
Source of Supply, Pumping and Purchased Water Statistics	W-12
Sources of Water Supply - Ground Waters	W-13
Sources of Water Supply - Surface Waters	W-14
Pumping & Power Equipment	W-15
Reservoirs, Standpipes & Water Treatment	W-16
Water Mains	W-17
Water Services	W-18
Meters	W-19
Hydrants and Distribution System Valves	W-20
Water Operating Section Footnotes	W-21

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: HIGHLAND MUNICIPAL WATER UTILITY

Utility Address: 530 MAIN ST
P.O. BOX 284
HIGHLAND, WI 53543

When was utility organized? 1/1/1960

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: THERESA C. MICHEK

Title: CLERK/TREASURER

Office Address:

530 MAIN ST
P.O. BOX 284
HIGHLAND, WI 53543

Telephone: (608) 929 - 7781

Fax Number: (608) 929 - 7781

E-mail Address: highlandclerk@charter.net

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

Name: REBECCA A. WIENKES

Title: CPA

Office Address: REBECCA A WIENKES, CPA, LLC

820 HARMS RD
HIGHLAND, WI 53543

Telephone: (608) 623 - 3634

Fax Number: (608) 623 - 3300

E-mail Address: WIENKES6@MHTC.NET

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

Name: THOMAS E PINCH

Title: VILLAGE PRESIDENT

Office Address:

530 MAIN ST
P.O. BOX 284
HIGHLAND, WI 53543

Telephone: (608) 929 - 7781

Fax Number: (608) 929 - 7781

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: REBECCA A WIENKES

Title: CPA

Office Address: REBECCA A WIENKES, CPA, LLC
820 HARMS RD
HIGHLAND, WI 53543

Telephone: (608) 623 - 3634

Fax Number: (608) 623 - 3300

E-mail Address: WIENKES6@MHTC.NET

Date of most recent audit report: 3/23/2004

Period covered by most recent audit: 2003

Names and titles of utility management including manager or superintendent:

Name: THOMAS E PINCH

Title: VILLAGE PRESIDENT

Office Address:
530 MAIN ST
P.O. BOX 284
HIGHLAND, WI 53543

Telephone: (608) 929 - 7781

Fax Number: (608) 929 - 7781

E-mail Address:

Name of utility commission/committee: VILLAGE OF HIGHLAND BOARD MEMBERS

Names of members of utility commission/committee:

- TERESA BOMKAMP, BOARD MEMBER
- ANTHONY KASTER, BOARD MEMBER
- DOUG OLESON, BOARD MEMBER
- DENNIS RICHGELS, BOARD MEMBER
- CANDI STANEK, BOARD MEMBER
- GEORGE WALLENKAMP, BOARD MEMBER

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:

NONE

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	97,789	96,160	1
Operating Expenses:			
Operation and Maintenance Expense (401)	37,935	30,824	2
Depreciation Expense (403)	14,789	14,195	3
Amortization Expense (404)	0	0	4
Taxes (408)	21,039	18,987	5
Total Operating Expenses	73,763	64,006	
Net Operating Income	24,026	32,154	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	24,026	32,154	
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)	924	1,420	9
Miscellaneous Nonoperating Income (421)	650	2,600	10
Total Other Income	1,574	4,020	
Total Income	25,600	36,174	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(3,165)	0	11
Other Income Deductions (426)	7,554	7,550	12
Total Miscellaneous Income Deductions	4,389	7,550	
Income Before Interest Charges	21,211	28,624	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	13
Amortization of Debt Discount and Expense (428)	0	0	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	0	0	
Net Income	21,211	28,624	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	761,535	394,644	19
Balance Transferred from Income (433)	21,211	28,624	20
Miscellaneous Credits to Surplus (434)	0	338,267	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)	782,746	761,535	

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	97,789		97,789	1
Total (Acct. 400):	97,789	0	97,789	
Operation and Maintenance Expense (401):				
Derived	37,935		37,935	2
Total (Acct. 401):	37,935	0	37,935	
Depreciation Expense (403):				
Derived	14,789		14,789	3
Total (Acct. 403):	14,789	0	14,789	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	21,039		21,039	5
Total (Acct. 408):	21,039	0	21,039	
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:	24,026	0	24,026	
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 BANK ACCOUNTS	924	0	924	10
Total (Acct. 419):	924	0	924	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water		650	650	11

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
NONE	0	0	0 12
Total (Acct. 421):	0	650	650
TOTAL OTHER INCOME:	924	650	1,574

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(3,165)	[REDACTED]	(3,165) 13
NONE	0	0	0 14
Total (Acct. 425):	(3,165)	0	(3,165)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	[REDACTED]	7,554	7,554 15
NONE	0	0	0 16
Total (Acct. 426):	0	7,554	7,554
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(3,165)	7,554	4,389

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	0	[REDACTED]	0 17
Total (Acct. 427):	0	0	0
Amortization of Debt Discount and Expense (428):			
NONE	0	[REDACTED]	0 18
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0	[REDACTED]	0 19
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0	[REDACTED]	0 20
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0	[REDACTED]	0 21
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 22
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	0	0	0
NET INCOME:	28,115	(6,904)	21,211
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	430,818	330,717	761,535 23
Total (Acct. 216):	430,818	330,717	761,535
Balance Transferred from Income (433):			
Derived	28,115	(6,904)	21,211 24
Total (Acct. 433):	28,115	(6,904)	21,211
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 25
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 26
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 27
Total (Acct. 436)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	458,933	323,813	782,746

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

- | |
|---|
| <p>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.</p> <p>2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).</p> |
|---|

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	97,789	0	0	0	97,789	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	97,789	0	0	0	97,789	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,187,650	1,187,655	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	186,137	228,417	2
Net Utility Plant	1,001,513	959,238	
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)	2,422	2,137	6
Special Funds (125)	90,978	44,694	7
Total Other Property and Investments	93,400	46,831	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	2,768	7,226	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	13,039	12,275	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	3,543	3,767	14
Materials and Supplies (150)	3,812	5,135	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	23,162	28,403	
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	1,118,075	1,034,472	

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)	254,347	254,347	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	782,746	761,535	23
Total Proprietary Capital	1,037,093	1,015,882	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	0	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	492	637	28
Payables to Municipality (233)	0	103	29
Customer Deposits (235)	125		30
Taxes Accrued (236)	20,238	17,850	31
Interest Accrued (237)	0	0	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	20,855	18,590	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	60,127	0	36
Total Deferred Credits	60,127	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	1,118,075	1,034,472	

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	1,187,655	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)	786,222	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	401,428	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	1,187,650	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)	107,868	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	78,269	0	0	0	12
Total Accumulated Provision	186,137	0	0	0	
Net Utility Plant	1,001,513	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)	157,575				157,575	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	14,789				14,789	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	584				584	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	15,373	0	0	0	15,373	16
Debits during year						17
Book cost of plant retired	1,788				1,788	18
Cost of removal					0	19
Other debits (specify):						20
Est Reg Liab(253): Docket 05-US-10€	63,292				63,292	21
					0	22
					0	23
					0	24
Total debits	65,080	0	0	0	65,080	25
Balance end of year (110.1)	107,868	0	0	0	107,868	26
Composite Depreciation Rate?	Yes					27
If yes, what is the rate?	1.93%					28

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

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)	70,842				70,842	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	7,554				7,554	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
					0	13
					0	14
					0	15
Total credits	7,554	0	0	0	7,554	16
Debits during year						17
Book cost of plant retired	127				127	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	127	0	0	0	127	25
Balance end of year (110.1)	78,269	0	0	0	78,269	26
Composite Depreciation Rate?	Yes					27
If yes, what is the rate?	1.93%					28

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					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility	3,812	5,135 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	<u>3,812</u>	<u>5,135</u>

**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	254,347	1
Changes during year (explain):		2
Balance end of year	<u><u>254,347</u></u>	

BONDS (ACCT. 221)

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

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	------------------------------	------------------------------------	------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	------------------------------	------------------------------------	------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	17,850	1
Accruals:		
Charged water department expense	21,039	2
Charged electric department expense		3
Charged sewer department expense	371	4
Other (explain):		
NONE		5
Total Accruals and other credits	21,410	
Taxes paid during year:		
County, state and local taxes	17,850	6
Social Security taxes	1,066	7
PSC Remainder Assessment	106	8
Other (explain):		
NONE		9
Total payments and other debits	19,022	
Balance end of year	20,238	

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)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	0	0	0	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)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
SPECIAL ASSESSMENTS RECEIVABLE	2,422	2
Total (Acct. 124):	2,422	
Special Funds (125):		
BOND & INTEREST REDEMPTION FUND	41,149	3
1988 CONSTRUCTION FUND	49,829	4
Total (Acct. 125):	90,978	
Notes Receivable (141):		
NONE		5
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	13,039	6
Electric		7
Sewer (Regulated)		8
Other (specify):		
NONE		9
Total (Acct. 142):	13,039	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		10
Merchandising, jobbing and contract work		11
Other (specify):		
NONE		12
Total (Acct. 143):	0	
Receivables from Municipality (145):		
DUE FROM SEWER - 2004 METER ALLOCATIONS	1,736	13
DUE FROM MUNICIPALITY - 2004 TAX ROLL ITEMS	1,807	14
Total (Acct. 145):	3,543	
Prepayments (165):		
NONE		15
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		16
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)
<hr/>	
Other Deferred Debits (183):	
NONE	17
Total (Acct. 183):	0
<hr/>	
Payables to Municipality (233):	
NONE	18
Total (Acct. 233):	0
<hr/>	
Other Deferred Credits (253):	
Regulatory Liability	60,127 19
NONE	20
Total (Acct. 253):	60,127

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)	786,161	0	0	0	786,161	1
Materials and Supplies	4,473	0	0	0	4,473	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation (110.1)	132,721	0	0	0	132,721	4
Customer Advances for Construction					0	5
Regulatory Liability	30,063	0	0	0	30,063	6
					0	7
Average Net Rate Base	627,850	0	0	0	627,850	
Net Operating Income	24,026	0	0	0	24,026	8
Net Operating Income as a percent of Average Net Rate Base	3.83%	N/A	N/A	N/A	3.83%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FULL-TIME EMPLOYEES (FTE)

Use FTE numbers where FTE stands for full-time employees or full-time equivalency. FTE can be computed by using total hours worked/2080 hours for a fiscal year. Estimate to the nearest tenth. If an employee works part time for more than one industry then determine FTE based on estimate of hours worked per industry.

Example: An employee worked 35% of their time on electric jobs, 30% on water jobs, 20% on sewer jobs and 15% on municipal nonutility jobs. The FTE by industry would be .4 for electric, .3 for water and .2 for sewer.

Industry (a)	FTE (b)	
Water	0.5	1
Electric		2
Gas		3
Sewer		4

**REGULATORY LIABILITY - PRE-2003 HISTORICAL
ACCUMULATED DEPRECIATION ON CONTRIBUTED UTILITY
PLANT (253)**

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Balance First of Year					0	1
Add credits during year:						
Establish Regulatory Liability 1/1/04	63,292	0	0	0	63,292	2
Other (specify): NONE					0	3
Deduct charges:						
Miscellaneous Amortization (425)	3,165				3,165	4
Other (specify): NONE					0	5
Balance End of Year	60,127	0	0	0	60,127	

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

General footnotes

COMPILATION REPORT OF CERTIFIED PUBLIC ACCOUNTANT

MARCH 28, 2005

VILLAGE BOARD
VILLAGE OF HIGHLAND
HIGHLAND, WI 53543

I HAVE COMPILED THE ACCOMPANYING PRESCRIBED MUNICIPAL UTILITY ANNUAL REPORT OF THE VILLAGE OF HIGHLAND WATER UTILITIES AS OF DECEMBER 31, 2004, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS, INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. I HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING MUNICIPAL UTILITY ANNUAL REPORT AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THIS REPORT.

THE AFOREMENTIONED REPORT WAS PREPARED FOR THE PURPOSE OF COMPLYING WITH STATUTORY REQUIREMENTS, RULES, REGULATIONS, AND GUIDELINES OF THE WISCONSIN PUBLIC SERVICE COMMISSION AND IS NOT INTENDED TO BE A COMPLETE PRESENTATION IN CONFORMITY WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA.

THIS REPORT IS INTENDED SOLELY FOR THE INFORMATION AND USE OF MANGEMENT OF THE VILLAGE OF HIGHLAND AND THE WISCONSIN PUBLIC SERVICE COMMISSION, AND SHOULD NOT BE USED FOR ANY OTHER PURPOSES.

REBECCA A. WIENKES, CPA, LLC

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	96,253	95,165	1
Total Sales of Water	96,253	95,165	
Other Operating Revenues			
Forfeited Discounts (470)	450	155	2
Other Water Revenues (474)	1,086	840	3
Total Other Operating Revenues	1,536	995	
Total Operating Revenues	97,789	96,160	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	21,934	19,860	4
General Operating Expenses (680-690)	16,001	10,964	5
Total Operation and Maintenance Expenses	37,935	30,824	
Other Operating Expenses			
Depreciation Expense (403)	14,789	14,195	6
Amortization Expense (404)		0	7
Taxes (408)	21,039	18,987	8
Total Other Operating Expenses	35,828	33,182	
Total Operating Expenses	73,763	64,006	
NET OPERATING INCOME	24,026	32,154	

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	3	9	59	1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	3	9	59	
Metered Sales to General Customers (461)				
Residential	345	14,472	43,743	4
Commercial	48	1,854	6,626	5
Industrial				6
Total Metered Sales to General Customers (461)	393	16,326	50,369	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)			42,626	8
Other Sales to Public Authorities (464)	13	805	3,199	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	409	17,140	96,253	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------	----------------------------------	--	-------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	42,626	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)	42,626	
Forfeited Discounts (470):		
Customer late payment charges	450	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	450	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	781	7
Other (specify): REIMBURSED EXPENSES	305	8
Total Other Water Revenues (474)	1,086	

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)	10,002	11,045	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	4,321	4,793	3
Chemicals (630)	1,714	0	4
Supplies and Expenses (640)	1,487	490	5
Repairs of Water Plant (650)	1,910	1,032	6
Transportation Expenses (660)	2,500	2,500	7
Total Plant Operation and Maintenance Expenses	21,934	19,860	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	4,156	4,156	8
Office Supplies and Expenses (681)	702	1,014	9
Outside Services Employed (682)	1,100	1,100	10
Insurance Expense (684)	4,500	4,500	11
Employees Pensions and Benefits (686)	4,776	0	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	767	194	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	16,001	10,964	
Total Operation and Maintenance Expenses	37,935	30,824	

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		20,238	17,850	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		371	267	2
Net property tax equivalent		19,867	17,583	
Social Security		1,066	1,299	3
PSC Remainder Assessment		106	105	4
Other (specify): NONE			0	5
Total tax expense		21,039	18,987	

PROPERTY TAX EQUIVALENT (WATER)

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

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Iowa				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.192520				3
County tax rate	mills		5.377970				4
Local tax rate	mills		3.228130				5
School tax rate	mills		12.571470				6
Voc. school tax rate	mills		1.822840				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		23.192930				10
Less: state credit	mills		1.783480				11
Net tax rate	mills		21.409450				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		3.228130				14
Combined School Tax Rate	mills		14.394310				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		17.622440				17
Total Tax Rate	mills		23.192930				18
Ratio of Local and School Tax to Total	dec.		0.759819				19
Total tax net of state credit	mills		21.409450				20
Net Local and School Tax Rate	mills		16.267317				21
Utility Plant, Jan. 1	\$	1,187,655	1,187,655				22
Materials & Supplies	\$	5,135	5,135				23
Subtotal	\$	1,192,790	1,192,790				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	1,192,790	1,192,790				26
Assessment Ratio	dec.		1.038875				27
Assessed Value	\$	1,239,160	1,239,160				28
Net Local & School Rate	mills		16.267317				29
Tax Equiv. Computed for Current Year	\$	20,158	20,158				30
Tax Equivalent per 1994 PSC Report	\$	21,429					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$	20,238					32
Tax equiv. for current year (see note 6)	\$	20,238					34

WATER UTILITY PLANT IN SERVICE --Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	200		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	200	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	11,312		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	29,354		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	40,666	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	4,571		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	24,516		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	29,087	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	1,713		23
Total Water Treatment Plant	1,713	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)			200	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	200	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			11,312	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			29,354	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	40,666	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			4,571	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			24,516	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	29,087	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			1,713	23
Total Water Treatment Plant	0	0	1,713	

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)	8,750		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	107,040		26
Transmission and Distribution Mains (343)	406,561		27
Fire Mains (344)	0		28
Services (345)	85,485		29
Meters (346)	33,580	910	30
Hydrants (348)	63,910		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	705,326	910	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	4,622	1,000	35
Computer Equipment (372.1)	2,669		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	1,817		38
Other Tangible Property (390)	0		39
Total General Plant	9,108	1,000	
Total utility plant in service directly assignable	786,100	1,910	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	786,100	1,910	

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)			8,750 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			107,040 26
Transmission and Distribution Mains (343)			406,561 27
Fire Mains (344)			0 28
Services (345)	432		85,053 29
Meters (346)	1,356		33,134 30
Hydrants (348)			63,910 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	1,788	0	704,448
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			5,622 35
Computer Equipment (372.1)			2,669 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			1,817 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	10,108
Total utility plant in service directly assignable	1,788	0	786,222
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	1,788	0	786,222

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)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	0		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE --Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	203,085		26
Transmission and Distribution Mains (343)	171,411		27
Fire Mains (344)	0		28
Services (345)	25,237		29
Meters (346)	0		30
Hydrants (348)	1,822		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	401,555	0	
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	
Total utility plant in service directly assignable	401,555	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	401,555	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)			203,085 26
Transmission and Distribution Mains (343)			171,411 27
Fire Mains (344)			0 28
Services (345)	127		25,110 29
Meters (346)			0 30
Hydrants (348)			1,822 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	127	0	401,428
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	127	0	401,428
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	127	0	401,428

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			2,031	2,031	1
February			1,733	1,733	2
March			1,644	1,644	3
April			1,647	1,647	4
May			1,693	1,693	5
June			1,609	1,609	6
July			1,611	1,611	7
August			1,563	1,563	8
September			1,707	1,707	9
October			1,622	1,622	10
November			1,534	1,534	11
December			1,684	1,684	12
Total annual pumpage	0	0	20,078	20,078	
Less: Water sold				17,140	13
Volume pumped but not sold				2,938	14
Volume sold as a percent of volume pumped				85%	15
Volume used for water production, water quality and system maintenance				94	16
Volume related to equipment/system malfunction				141	17
Non-utility volume NOT included in water sales				48	18
Total volume not sold but accounted for				283	19
Volume pumped but unaccounted for				2,655	20
Percent of water lost				13%	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.)				96	23
Date of maximum: 9/22/2004					24
Cause of maximum:					25
FLUSHED WATER AND SEWER					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				20	26
Date of minimum: 8/5/2004					27
Total KWH used for pumping for the year				73,995	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)	
WELL-HIGHLAND	1	455	4	50,000	Yes	1
WELL-HIGHLAND	2	930	6	100,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

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

PUMPING & POWER EQUIPMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	1	2	1
Location	HIGHLAND	HIGHLAND	2
Purpose	P	P	3
Destination	D	D	4
Pump Manufacturer	UNKNOWN	WELLINGTON	5
Year Installed	1983	1968	6
Type	SUBMERSIBLE	VERTICAL TURBINE	7
Actual Capacity (gpm)	100	350	8
Pump Motor or Standby Engine Mfr	UNKNOWN	US VERT HOLLOWSHAFT	9
Year Installed	1983	2003	10
Type	ELECTRIC	ELECTRIC	11
Horsepower	20	60	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)
Identification			14
Location			15
Purpose			16
Destination			17
Pump Manufacturer			18
Year Installed			19
Type			20
Actual Capacity (gpm)			21
Pump Motor or Standby Engine Mfr			22
Year Installed			23
Type			24
Horsepower			25
			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	1		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		3
Year constructed	1988		4
Primary material (earthen, steel, concrete, other)	OTHER		5
Elevation difference in feet (See Headnote 3.)	250		6
Total capacity in gallons (actual)	200,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER		9
Points of application (wellhouse, central facilities, booster station, other)	OTHER		10
Filters, type (gravity, pressure, other, none)	OTHER		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	650.0000		12
Is a corrosion control chemical used (yes, no)?	N		13
Is water fluoridated (yes, no)?	N		14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	4.000	2,400	0	0	0	2,400	1
M	D	6.000	9,720	0	0	0	9,720	2
P	D	6.000	4,630	0	0	0	4,630	3
M	D	8.000	850	0	0	0	850	4
P	D	8.000	9,215	0	0	0	9,215	5
P	D	10.000	5,050	0	0	0	5,050	6
Total Within Municipality			31,865	0	0	0	31,865	
Total Utility			31,865	0	0	0	31,865	

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	382	2	2	0	382	11	1
M	1.000	5	0	0	0	5		2
M	1.500	2	0	0	0	2		3
M	2.000	6	0	0	0	6		4
M	3.000	1	0	0	0	1		5
Total Utility		396	2	2	0	396	11	

METERS

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

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.750	407	0	17	0	390	41	1
1.000	5	0	0	0	5	0	2
1.500	2	0	0	0	2	0	3
2.000	6	0	0	0	6	0	4
3.000	1	0	0	0	1	0	5
6.000	0	0	0	0	0	0	6
Total:	421	0	17	0	404	41	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.750	336	39	0	7	0	8	390	1
1.000	0	3	0	2	0	0	5	2
1.500	0	2	0	0	0	0	2	3
2.000	0	3	0	3	0	0	6	4
3.000	0	0	0	1	0	0	1	5
6.000	0	0	0	0	0	0	0	6
Total:	336	47	0	13	0	8	404	

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	57				57	2
Total Fire Hydrants	57	0	0	0	57	
Flushing Hydrants						
	3				3	3
Total Flushing Hydrants	3	0	0	0	3	

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:	57
Number of distribution system valves end of year:	81
Number of distribution valves operated during year:	80

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.

PENSIONS AND BENEFITS INCREASED \$4,776 IN 2004 COMPARED TO 2003. THIS IS DUE TO THE VILLAGE DID NOT SEPARATELY ALLOCATE PENSIONS AND BENEFITS FROM WAGES AND SALARIES IN 2003. OVERALL THE SALARIES AND WAGES AND PENSIONS AND BENEFITS ARE INCREASED DUE TO THE INCREASED COSTS OF HEALTH INURANCE.

Property Tax Equivalent (Water) (Page W-07)

If Lower Tax Equivalent authorized by municipality is greater than or equal to zero, please explain.

ON NOVEMBER 4, 1996, A RESOLUTION WAS PASSED BY THE VILLAGE BOARD AUTHORIZING THE VILLAGE TO PAY THE LESSER OF THE TAX EQUIVALENT AS ALLOWED BY WIS. STATUTE 66.0811(2) OR THE PRIOR YEAR'S ALLOWED AMOUNT.

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

If Plant in Service Additions, Account 346, are greater than zero AND Additions on the Meters schedule are zero, please explain.

17 METERS WERE TAKEN OUT OF INVENTORY TO REPLACE THE 17 METERS THAT WERE RETIRED. THE COST OF \$910 IS THE TRANSFER OF THE COST FROM INVENTORY TO FIXED ASSETS.

Water Services (Page W-18)

If Services Additions are greater than zero AND Additions on both of the Plant in Service schedules (Account 345) are zero, please explain.

VILLAGE ADDED 2 NEW SERVICES IN 2004.

SERVICES WERE EXISTING BUT NOT ACTIVE. NO COSTS FOR NEW SERVICES IN 2004.

PROPERTY OWNERS ARE ASSESSED \$650 FOR NEW WATER SERVICES THAT THE MUNICIPALITY HAS FINANCED. ONE NEW SERVICE IN 2004 WAS FINANCED IN PRIOR YEARS BY THE MUNICIPALITY AND ONE NEW SERVICE IN 2004 WAS FINANCED IN PRIOR YEARS BY THE DEVELOPER.

PRIOR TO 2004 THE VILLAGE WAS NOT REPORTING ON PAGE W-18 THE NUMBER OF SERVICES THAT WERE OWNED BUT NOT USED. UPON REVIEW OF RECORDS THE VILLAGE HAS 11 SUCH SERVICES. ALL COSTS INCURRED FOR THESE SERVICES WERE INCURRED IN PRIOR YEARS.

Meters (Page W-19)

General footnotes

STATION METERS ARE BEING TESTED EVERY TWO YEARS.

Ss. PSC 185.83(2) states "Station meters shall be maintained to ensure reasonable accuracy and shall have the accuracy checked at least once every 2 years." Are all station meters being tested every two years? Answer yes or no. If no, please explain.

YES