



3015 (02-02-05)

ANNUAL REPORT

OF

Name: MERCER SANITARY DISTRICT NUMBER ONE

Principal Office: P.O. BOX 660
MERCER, WI 54547-0660

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.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MERCER SANITARY DISTRICT NUMBER ONE

Utility Address: P.O. BOX 660
MERCER, WI 54547-0660

When was utility organized? 1/1/1965

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: LUCIEN PERRON

Title: PRESIDENT

Office Address:

MERCER SANITARY DISTRICT
P.O. BOX 660
MERCER, WI 54547-0660

Telephone: (715) 476 - 3575

Fax Number: (715) 476 - 3575

E-mail Address:

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

Name: DAVID TRACZYK

Title: OWNER

Office Address: DAVIDTRACZYK CPA

327 SILVER STREET
HURLEY, WI 54534-1255

Telephone: (715) 561 - 3299

Fax Number: (715) 561 - 4099

E-mail Address: bkkkg@charterinternet.com

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

Name: LUCIEN PERRON

Title: PRESIDENT

Office Address:

P.O. BOX 660
MERCER, WI 54547-0660

Telephone: (715) 476 - 3575 EXT

Fax Number: (715) 476 - 3575

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: DAVID TRACZYK

Title: OWNER

Office Address: DAVID TRACZYK CPA
327 SILVER STREET
HURLEY, WI 54534-1255

Telephone: (715) 561 - 3299 EXT

Fax Number: (715) 561 - 4099

E-mail Address: bkkkg@charterinternet.com

Date of most recent audit report: 4/25/2004

Period covered by most recent audit: 2003

Names and titles of utility management including manager or superintendent:

Name: RANDALL R BALDAUF

Title: OPERATOR

Office Address:
P.O. BOX 660
MERCER, WI 54547

Telephone: (715) 476 - 3575

Fax Number: (715) 476 - 3575

E-mail Address:

Name of utility commission/committee: BOARD OF COMMISSIONERS

Names of members of utility commission/committee:
EARL HILDENBRAND, COMMISSIONER
LUCIEN PERRON, COMMISSIONER
THOMAS THOMPSON, PRESIDENT

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? YES

Date of Ordinance: 1/1/1965

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	175,501	159,380	1
Operating Expenses:			
Operation and Maintenance Expense (401)	117,081	115,082	2
Depreciation Expense (403)	28,667	26,237	3
Amortization Expense (404)	0	0	4
Taxes (408)	4,348	3,880	5
Total Operating Expenses	150,096	145,199	
Net Operating Income	25,405	14,181	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	25,405	14,181	
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)	24,267	23,796	9
Miscellaneous Nonoperating Income (421)	286,534	85,053	10
Total Other Income	310,801	108,849	
Total Income	336,206	123,030	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(11,980)	0	11
Other Income Deductions (426)	14,150	79,209	12
Total Miscellaneous Income Deductions	2,170	79,209	
Income Before Interest Charges	334,036	43,821	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	92,695	93,849	13
Amortization of Debt Discount and Expense (428)	1,571	1,571	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	94,266	95,420	
Net Income	239,770	(51,599)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	4,399,962	210,566	19
Balance Transferred from Income (433)	239,770	(51,599)	20
Miscellaneous Credits to Surplus (434)	0	4,240,995	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)	4,639,732	4,399,962	

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	175,501		175,501	1
Total (Acct. 400):	175,501	0	175,501	
Operation and Maintenance Expense (401):				
Derived	117,081		117,081	2
Total (Acct. 401):	117,081	0	117,081	
Depreciation Expense (403):				
Derived	28,667		28,667	3
Total (Acct. 403):	28,667	0	28,667	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	4,348		4,348	5
Total (Acct. 408):	4,348	0	4,348	
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:	25,405	0	25,405	
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 FROM BANK ACCOUNTS	5,710	0	5,710	10
INTEREST FROM SPECIAL ASSESSMENTS	18,557	0	18,557	11
Total (Acct. 419):	24,267	0	24,267	

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
Contributed Plant - Water		157,681	157,681 12
NONREGULATED SEWER INCOME	48,853	0	48,853 13
PROPERTY TAX LEVY	80,000	0	80,000 14
Total (Acct. 421):	128,853	157,681	286,534
TOTAL OTHER INCOME:	153,120	157,681	310,801

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(11,980)		(11,980) 15
NONE	0	0	0 16
Total (Acct. 425):	(11,980)	0	(11,980)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		14,150	14,150 17
NONE	0	0	0 18
Total (Acct. 426):	0	14,150	14,150
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(11,980)	14,150	2,170

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	92,695		92,695 19
Total (Acct. 427):	92,695	0	92,695
Amortization of Debt Discount and Expense (428):			
AMORTIZATION OF DEBT EXPENSE	1,571		1,571 20
Total (Acct. 428):	1,571	0	1,571
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 21
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0		0 22
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0		0 23
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 24
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	94,266	0	94,266
NET INCOME:	96,239	143,531	239,770
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	168,938	4,231,024	4,399,962 25
Total (Acct. 216):	168,938	4,231,024	4,399,962
Balance Transferred from Income (433):			
Derived	96,239	143,531	239,770 26
Total (Acct. 433):	96,239	143,531	239,770
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 27
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 28
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 29
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 30
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	265,177	4,374,555	4,639,732

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

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

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

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

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	175,501	0	0	0	175,501	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	175,501	0	0	0	175,501	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,245,741	2,048,045	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	595,696	792,472	2
Net Utility Plant	1,650,045	1,255,573	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	5,256,014	5,183,923	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	659,934	975,261	4
Net Nonutility Property	4,596,080	4,208,662	
Investment in Municipality (123)	0	0	5
Other Investments (124)	376,239	282,499	6
Special Funds (125)	305,397	303,697	7
Total Other Property and Investments	5,277,716	4,794,858	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	83,009	189,195	8
Temporary Cash Investments (132)	0		9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	9,795	9,583	11
Other Accounts Receivable (143)	16,251	15,379	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	129,088	128,002	14
Materials and Supplies (150)	10,130	14,236	15
Prepayments (165)	5,643	5,643	16
Other Current and Accrued Assets (170)	17,963	18,726	17
Total Current and Accrued Assets	271,879	380,764	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	13,067	14,638	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	228,887	98,887	20
Total Deferred Debits	241,954	113,525	
Total Assets and Other Debits	7,441,594	6,544,720	

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)	289,708	289,708	21
Appropriated Earned Surplus (215)	0		22
Unappropriated Earned Surplus (216)	4,639,732	4,399,962	23
Total Proprietary Capital	4,929,440	4,689,670	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	1,876,076	1,822,649	26
Total Long-Term Debt	1,876,076	1,822,649	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	15,848	12,839	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)	0		30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	17,711	15,165	32
Other Current and Accrued Liabilities (238)	5,435	4,397	33
Total Current and Accrued Liabilities	38,994	32,401	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0		35
Other Deferred Credits (253)	597,084	0	36
Total Deferred Credits	597,084	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)	0		37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	7,441,594	6,544,720	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	2,048,045	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	1,139,927	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	1,105,814	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	2,245,741	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)	328,854	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	266,842	0	0	0	12
Total Accumulated Provision	595,696	0	0	0	
Net Utility Plant	1,650,045	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)	539,780				539,780	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	28,667				28,667	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	28,667	0	0	0	28,667	16
Debits during year						17
Book cost of plant retired	0				0	18
Cost of removal					0	19
Other debits (specify):						20
Est Reg Liab(253): Docket 05-US-10€	239,593				239,593	21
					0	22
					0	23
					0	24
Total debits	239,593	0	0	0	239,593	25
Balance end of year (110.1)	328,854	0	0	0	328,854	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						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)	252,692				252,692	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	14,150				14,150	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	14,150	0	0	0	14,150	16
Debits during year						17
Book cost of plant retired	0				0	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	0	0	0	0	0	25
Balance end of year (110.1)	266,842	0	0	0	266,842	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						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	5,183,923	72,091		5,256,014	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	5,183,923	72,091	0	5,256,014	
Less accum. prov. depr. & amort. (122)	975,261	73,590	388,917	659,934	3
Net Nonutility Property	4,208,662	(1,499)	(388,917)	4,596,080	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	10,130	14,236	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	10,130	14,236	

**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)				
ISSUE COSTS OF 4-01 NOTES	1,327	428	8,298	1
ISSUE COSTS OF DNR CLEAN WATER BOND	125	428	1,229	2
ISSUE COSTS OF FMHA BOND	119	428	3,540	3
Total			13,067	
Unamortized premium on debt (251)				
NONE				4
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	289,708	1
Changes during year (explain):		2
Balance end of year	<u>289,708</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)	
Other Long-Term Debt (224)					
FMHA BOND	01/23/1995	01/01/2035	5.00%	413,700	1
GENERAL OBLIGATION NOTES 4/01	04/01/2001	04/01/2011	4.61%	800,000	2
STATE TRUST FUND LOAN	04/20/2004	03/15/2014	3.75%	146,657	3
DNR CLEAN WATER LOAN	07/27/1994	05/11/2014	5.80%	515,719	4
Total for Account 224				<u>1,876,076</u>	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	4,348	2
Charged electric department expense		3
Charged sewer department expense	3,770	4
Other (explain):		
NONE		5
Total Accruals and other credits	8,118	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	7,860	7
PSC Remainder Assessment	258	8
Other (explain):		
NONE		9
Total payments and other debits	8,118	
Balance end of year	0	

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)					
FMHA BOND	0	20,980	20,980	0	3
DNR CLEAN WATER LOAN	5,346	30,633	30,994	4,985	4
STATE TRUST FUND LOAN		3,457	0	3,457	5
GENERAL OBLIGATION NOTES 04/01	9,819	37,625	38,175	9,269	6
Subtotal	15,165	92,695	90,149	17,711	
Notes Payable (231)					
NONE	0			0	7
Subtotal	0	0	0	0	
Total	15,165	92,695	90,149	17,711	

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):		
WATER SPECIAL ASSESSMENTS	121,960	2
SEWER SPECIAL ASSESSMENTS	254,279	3
Total (Acct. 124):	376,239	
Special Funds (125):		
DEPRECIATION FUNDS	208,397	4
DEBT RETIREMENT FUNDS	97,000	5
Total (Acct. 125):	305,397	
Notes Receivable (141):		
NONE		6
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	9,795	7
Electric		8
Sewer (Regulated)		9
Other (specify):		
NONE	0	10
Total (Acct. 142):	9,795	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	16,251	11
Merchandising, jobbing and contract work		12
Other (specify):		
NONE	0	13
Total (Acct. 143):	16,251	
Receivables from Municipality (145):		
2004 TAX LEVY	129,088	14
Total (Acct. 145):	129,088	
Prepayments (165):		
PREPAID INSURANCE	5,643	15
Total (Acct. 165):	5,643	
Extraordinary Property Losses (182):		
NONE	0	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)	
Other Deferred Debits (183):		
BUSINESS PARK DEVELOPMENT ADVANCE	130,000	17
NEW WELL DEVELOPMENT IN PROGRESS	98,887	18
Total (Acct. 183):	228,887	
Payables to Municipality (233):		
NONE	0	19
Total (Acct. 233):	0	
Other Deferred Credits (253):		
Regulatory Liability	227,613	20
NONREGULATED SEWER LIABILITY	369,471	21
Total (Acct. 253):	597,084	

RETURN ON RATE BASE COMPUTATION

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

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (100.1)	1,119,919	0	0	0	1,119,919	1
Materials and Supplies	12,183	0	0	0	12,183	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	434,317	0	0	0	434,317	4
Customer Advances for Construction					0	5
Regulatory Liability	113,806	0	0	0	113,806	6
NONE					0	7
Average Net Rate Base	583,979	0	0	0	583,979	
Net Operating Income	25,405	0	0	0	25,405	8
Net Operating Income as a percent of						
Average Net Rate Base	4.35%	N/A	N/A	N/A	4.35%	

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	1.5	1
Electric		2
Gas		3
Sewer	1.5	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	239,593	0	0	0	239,593	2
Other (specify):						
NONE					0	3
Deduct charges:						
Miscellaneous Amortization (425)	11,980				11,980	4
Other (specify):						
NONE					0	5
Balance End of Year	227,613	0	0	0	227,613	

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-18)

Other Deferred Debits (Acct 183): amortization requires PSC authorization. Provide date of authorization.

(183) n/a no amortization yet

Please explain amounts in Accounts 143, 145 and/or 233 in excess of \$2,000, providing a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

(145) done

(143) done

Signature Page (Page ii)

General footnotes

DAVID TRACZYK
Certified Public Accountant
327 Silver Street
Hurley WI 54534

Board of Commissioners
Mercer Sanitary District # 1
Mercer Wisconsin

I have compiled the accompanying balance sheets, statements of income and retained earnings, and statistical data of the Mercer Sanitary District # 1 for the years ended December 31, 2004 and 2003, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

April 25, 2005

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	162,364	152,455	1
Total Sales of Water	162,364	152,455	
Other Operating Revenues			
Forfeited Discounts (470)	352	306	2
Other Water Revenues (474)	12,785	6,619	3
Total Other Operating Revenues	13,137	6,925	
Total Operating Revenues	175,501	159,380	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	55,305	62,896	4
General Operating Expenses (680-690)	61,776	52,186	5
Total Operation and Maintenance Expenses	117,081	115,082	
Other Operating Expenses			
Depreciation Expense (403)	28,667	26,237	6
Amortization Expense (404)	0	0	7
Taxes (408)	4,348	3,880	8
Total Other Operating Expenses	33,015	30,117	
Total Operating Expenses	150,096	145,199	
NET OPERATING INCOME	25,405	14,181	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	267	5,922	55,641	4
Commercial	79	6,723	40,866	5
Industrial	8	2,144	9,706	6
Total Metered Sales to General Customers (461)	354	14,789	106,213	
Private Fire Protection Service (462)	2		1,086	7
Public Fire Protection Service (463)	1		47,718	8
Other Sales to Public Authorities (464)	14	1,098	7,347	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	371	15,887	162,364	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
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NONE

OTHER OPERATING REVENUES (WATER)

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

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	47,718	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)	47,718	
Forfeited Discounts (470):		
Customer late payment charges	352	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	352	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		7
Other (specify): TOWER RENTAL	11,043	8
STANDBY FEES	666	9
MISCELLANEOUS	1,076	10
Total Other Water Revenues (474)	12,785	

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)	37,045	35,681	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	2,124	2,347	3
Chemicals (630)	848	143	4
Supplies and Expenses (640)	7,174	8,158	5
Repairs of Water Plant (650)	5,312	13,867	6
Transportation Expenses (660)	2,802	2,700	7
Total Plant Operation and Maintenance Expenses	55,305	62,896	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	13,835	12,068	8
Office Supplies and Expenses (681)	7,263	6,071	9
Outside Services Employed (682)	13,493	8,610	10
Insurance Expense (684)	20,635	18,216	11
Employees Pensions and Benefits (686)	4,828	5,243	12
Regulatory Commission Expenses (688)		1,978	13
Miscellaneous General Expenses (689)	1,722	0	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	61,776	52,186	
Total Operation and Maintenance Expenses	117,081	115,082	

TAXES (ACCT. 408 - WATER)

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

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent			0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			0	2
Net property tax equivalent		0	0	
Social Security		4,090	3,638	3
PSC Remainder Assessment		258	242	4
Other (specify): NONE			0	5
Total tax expense		4,348	3,880	

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

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	7,737		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)	48,628		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	56,365	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	283,216		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	20,923	5,493	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	1,052		20
Total Pumping Plant	305,191	5,493	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	175,979		22
Water Treatment Equipment (332)	4,664		23
Total Water Treatment Plant	180,643	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			7,737	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)			48,628	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	56,365	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			283,216	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			26,416	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			1,052	20
Total Pumping Plant	0	0	310,684	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			175,979	22
Water Treatment Equipment (332)			4,664	23
Total Water Treatment Plant	0	0	180,643	

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)	6,591		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	29,448		26
Transmission and Distribution Mains (343)	424,974	26,914	27
Fire Mains (344)	0		28
Services (345)	11,351		29
Meters (346)	29,705	873	30
Hydrants (348)	18,406		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	520,475	27,787	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	6,477	6,960	35
Computer Equipment (372.1)	6,420		36
Transportation Equipment (373)	17,488		37
Other General Equipment (379)	6,853		38
Other Tangible Property (390)	0		39
Total General Plant	37,238	6,960	
Total utility plant in service directly assignable	1,099,912	40,240	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,099,912	40,240	

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)			6,591 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			29,448 26
Transmission and Distribution Mains (343)			451,888 27
Fire Mains (344)			0 28
Services (345)			11,351 29
Meters (346)			30,578 30
Hydrants (348)			18,406 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	548,262
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			13,437 35
Computer Equipment (372.1)			6,420 36
Transportation Equipment (373)		(225)	17,263 37
Other General Equipment (379)			6,853 38
Other Tangible Property (390)			0 39
Total General Plant	0	(225)	43,973
Total utility plant in service directly assignable	0	(225)	1,139,927
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	(225)	1,139,927

**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)	0		26
Transmission and Distribution Mains (343)	883,020	151,891	27
Fire Mains (344)	0		28
Services (345)	26,772		29
Meters (346)	0		30
Hydrants (348)	38,341	5,790	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	948,133	157,681	
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	948,133	157,681	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	948,133	157,681	

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

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			1,034,911 27
Fire Mains (344)			0 28
Services (345)			26,772 29
Meters (346)			0 30
Hydrants (348)			44,131 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	1,105,814
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	1,105,814
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	1,105,814

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			2,021	2,021	1
February			1,830	1,830	2
March			1,958	1,958	3
April			1,785	1,785	4
May			2,511	2,511	5
June			2,210	2,210	6
July			2,625	2,625	7
August			2,487	2,487	8
September			2,007	2,007	9
October			2,775	2,775	10
November			1,828	1,828	11
December			1,985	1,985	12
Total annual pumpage	0	0	26,022	26,022	
Less: Water sold				15,887	13
Volume pumped but not sold				10,135	14
Volume sold as a percent of volume pumped				61%	15
Volume used for water production, water quality and system maintenance				3,191	16
Volume related to equipment/system malfunction				741	17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				3,932	19
Volume pumped but unaccounted for				6,203	20
Percent of water lost				24%	21
If more than 25%, indicate causes:					22
If more than 25%, state what action has been taken to reduce water loss:					23
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				254	24
Date of maximum: 10/21/2004					25
Cause of maximum:					26
flushing					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				19	27
Date of minimum: 1/30/2004					28
Total KWH used for pumping for the year				30,476	29
If water is purchased: Vendor Name:					30
Point of Delivery:					31

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 1 - 2992 HWY 51 SOUTH	BF973	56	16	432,000	Yes	1
WELL2 - WELL ROAD	BF974	58	16	468,000	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	WELL 1	WELL 2		1
Location	2992 HWY 51 SOUTH	WELL ROAD		2
Purpose	P	P		3
Destination	D	D		4
Pump Manufacturer	LAYNE NORTHWEST	LAYNE NORTHWEST		5
Year Installed	1965	1978		6
Type	VERTICAL TURBINE	VERTICAL TURBINE		7
Actual Capacity (gpm)	300	325		8
Pump Motor or Standby Engine Mfr	US ELECTRIC	GENERAL ELECTRIC		10
Year Installed	1965	1976		11
Type	ELECTRIC	ELECTRIC		12
Horsepower	20	20		13

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	WATER TOWER		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		3
Year constructed	1978		4
Primary material (earthen, steel, concrete, other)	STEEL		5
Elevation difference in feet (See Headnote 3.)	105		6
Total capacity in gallons (actual)	150,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		10
Filters, type (gravity, pressure, other, none)	OTHER		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.0000		12
Is a corrosion control chemical used (yes, no)?	N		13
Is water fluoridated (yes, no)?	N		14

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	6.000	13,822	0	0	0	13,822	1
P	D	6.000	0	1,590			1,590	2
M	D	8.000	25,752	560	0	0	26,312	3
M	D	10.000	910	0	0	0	910	4
M	D	12.000	15,240	201	0	0	15,441	5
P	D	12.000	0	2,649			2,649	6
Total Within Municipality			55,724	5,000	0	0	60,724	
Total Utility			55,724	5,000	0	0	60,724	

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	275	0	0	0	275	57	1
M	1.000	152	0	0	0	152	77	2
M	1.250	1	0	0	0	1	1	3
M	1.500	11	0	0	0	11	4	4
M	2.000	5	0	0	0	5		5
M	6.000	3	0	0	0	3	2	6
M	8.000	1	0	0	0	1		7
M	10.000	1	0	0	0	1		8
Total Utility		449	0	0	0	449	141	

METERS

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

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	354	0	0	12	366	75	1
0.750	30	0	0	0	30	10	2
1.500	6	2	0	0	8	6	3
2.000	5	0	0	0	5	5	4
Total:	395	2	0	12	409	96	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	255	50	3	9	49	0	366	1
0.750	1	18	4	3	0	4	30	2
1.500	0	5	2	1	0	0	8	3
2.000	0	4	0	1	0	0	5	4
Total:	256	77	9	14	49	4	409	

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	89	4			93	2
Total Fire Hydrants	89	4	0	0	93	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

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

Number of hydrants operated during year:	93
Number of distribution system valves end of year:	175
Number of distribution valves operated during year:	45

WATER OPERATING SECTION FOOTNOTES

Other Operating Revenues (Water) (Page W-04)

Please explain amounts in Account 474 in excess of \$2,000, including like items grouped. Please provide, for example, a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

(474) done

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.

account 650, Repairs decreased because the prior year had some expensive main repairs.

Account 682, Outside services increased because we had legal and engineering fees to investigate possible plant additions that are no longer being considered.

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

If Adjustments for any account are nonzero, please explain.

W-9, account 373, transportation equipment was adjusted for a prior year correction.

Water Mains (Page W-17)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

w-17, water main extensions- some were financed by the utility and some were financed by a special assessment on the customers. The special assessments are payable over 10 years by the 12 customers, equally.

Meters (Page W-19)**General footnotes**

testing of meters is planned to increase as time allows

Explain all reported adjustments.

adjustments to meters consist of 12 used meters placed back in stock f

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.

testing of meters is planned to increase as time allows.
