



3015 (02-02-05)

ANNUAL REPORT

OF

Name: BAYFIELD WATER AND SEWER UTILITY

Principal Office: 125 SOUTH FIRST STREET
P.O. BOX 1170
BAYFIELD, WI 54814-1170

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.

SIGNATURE PAGE

I TOM KOVACHEVICH of
(Person responsible for accounts)

BAYFIELD WATER AND SEWER UTILITY, certify that I
(Utility Name)

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

(Signature of person responsible for accounts) 03/24/2005
(Date)

PUBLIC WORKS DIRECTOR
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: BAYFIELD WATER AND SEWER UTILITY

Utility Address: 125 SOUTH FIRST STREET

P.O. BOX 1170

BAYFIELD, WI 54814-1170

When was utility organized? 1/1/1981

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: LINDA M GOODLET

Title: TREASURER

Office Address:

CITY OF BAYFIELD

P.O. BOX 1170

BAYFIELD, WI 54814

Telephone: (715) 779 - 5712

Fax Number: (715) 779 - 5094

E-mail Address: citytreasurer@charter.net

Utility employee in charge of correspondence concerning this report:

Name: MR JOEL WEBER

Title: WATER/SEWER SUPERVISOR

Office Address:

125 SOUTH FIRST STREET

P.O. BOX 1170

BAYFIELD, WI 54814

Telephone: (715) 779 - 5731

Fax Number: (715) 779 - 5094

E-mail Address: CITYPUBLICWORKS@CHARTER.NET

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

Name: MARK A VAN VLACK

Title: CPA

Office Address: MAITLAND, SINGLER & VAN VLACK S.C.

306 W 3RD ST

ASHLAND, WI 54806

Telephone: (715) 682 - 5544

Fax Number: (715) 682 - 5545

E-mail Address: mvanvlack@ncis.net

IDENTIFICATION AND OWNERSHIP

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

Name: ERIC FREDENBERG

Title: CHAIRMAN

Office Address:

RT 1 BOX 257
BAYFIELD, WI 54814

Telephone: (715) 779 - 5752

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

Fax Number:

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

Name: MARK A VAN VLACK

Title: CPA

Office Address: MAITLAND, SINGLER & VAN VLACK S.C.

306 W 3RD ST
ASHLAND, WI 54806

Telephone: (715) 682 - 5544

Fax Number: (715) 682 - 5545

E-mail Address: mvanvlack@ncis.net

Date of most recent audit report: 5/7/2004

Period covered by most recent audit: DECEMBER 31, 2003

Names and titles of utility management including manager or superintendent:

Name: BILLIE L HOOPMAN

Title: CLERK

Office Address:

CITY OF BAYFIELD
P.O. BOX 1170
BAYFIELD, WI 54814

Telephone: (715) 779 - 5712

Fax Number: (715) 779 - 5094

E-mail Address: CITYCLERK@CHARTER.NET

Name: JOEL WEBER

Title: WATER/SEWER SUPERVISOR

Office Address:

CITY OF BAYFIELD
P.O. BOX 1170
BAYFIELD, WI 54814

Telephone: (715) 779 - 5731

Fax Number: (715) 779 - 5094

E-mail Address: CITYPUBLICWORKS@CHARTER.NET

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MR TOM KOVACHEVICH

Title: PUBLIC WORKS DIRECTOR

Office Address:

CITY OF BAYFIELD
P.O. BOX 1170
BAYFIELD, WI 54814

Telephone: (715) 779 - 5731

Name of utility commission/committee: CITY OF BAYFIELD PUBLIC WORKS COMMITTEE

Names of members of utility commission/committee:

- MR DONALD ALBRECHT
- MR ERIC FREDENBERG
- MR VINCENT KELLY
- MR GREGORY KINNEY
- MR CLIFTON TRUED

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:

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)	207,998	206,399	1
Operating Expenses:			
Operation and Maintenance Expense (401)	75,508	95,245	2
Depreciation Expense (403)	25,907	41,709	3
Amortization Expense (404)	0	0	4
Taxes (408)	53,348	53,683	5
Total Operating Expenses	154,763	190,637	
Net Operating Income	53,235	15,762	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	53,235	15,762	
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)	6,551	11,136	9
Miscellaneous Nonoperating Income (421)	9,554	33,574	10
Total Other Income	16,105	44,710	
Total Income	69,340	60,472	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(11,797)	0	11
Other Income Deductions (426)	22,682	5,976	12
Total Miscellaneous Income Deductions	10,885	5,976	
Income Before Interest Charges	58,455	54,496	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	41,917	43,511	13
Amortization of Debt Discount and Expense (428)	300	300	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	42,217	43,811	
Net Income	16,238	10,685	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	501,442	(249,255)	19
Balance Transferred from Income (433)	16,238	10,685	20
Miscellaneous Credits to Surplus (434)	666,456	721,117	21
Miscellaneous Debits to Surplus--Debit (435)	235,936	0	22
Appropriations of Surplus--Debit (436)	1,407	(18,895)	23
Appropriations of Income to Municipal Funds--Debit (439)			24
Total Unappropriated Earned Surplus End of Year (216)	946,793	501,442	

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	207,998		207,998	1
Total (Acct. 400):	207,998	0	207,998	
Operation and Maintenance Expense (401):				
Derived	75,508		75,508	2
Total (Acct. 401):	75,508	0	75,508	
Depreciation Expense (403):				
Derived	25,907		25,907	3
Total (Acct. 403):	25,907	0	25,907	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	53,348		53,348	5
Total (Acct. 408):	53,348	0	53,348	
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:	53,235	0	53,235	
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 EARNED	3,389	3,162	6,551	10
Total (Acct. 419):	3,389	3,162	6,551	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water		14,337	14,337	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):			
NON REGULATED SEWER UTILITY	20,802	(25,585)	(4,783) 12
Total (Acct. 421):	20,802	(11,248)	9,554
TOTAL OTHER INCOME:	24,191	(8,086)	16,105

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(11,797)		(11,797) 13
NONE	0	0	0 14
Total (Acct. 425):	(11,797)	0	(11,797)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		22,682	22,682 15
NONE	0	0	0 16
Total (Acct. 426):	0	22,682	22,682
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(11,797)	22,682	10,885

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	41,917		41,917 17
Total (Acct. 427):	41,917	0	41,917
Amortization of Debt Discount and Expense (428):			
2001 WATER & SEWER REVENUE REFUNDING BONDS	300		300 18
Total (Acct. 428):	300	0	300
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 19
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0		0 20
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0		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:	42,217	0	42,217
NET INCOME:	47,006	(30,768)	16,238
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	56,021	445,421	501,442 23
Total (Acct. 216):	56,021	445,421	501,442
Balance Transferred from Income (433):			
Derived	47,006	(30,768)	16,238 24
Total (Acct. 433):	47,006	(30,768)	16,238
Miscellaneous Credits to Surplus (434):			
RECLASS 2003 CAPITAL FROM MUNICIPALITY TO CONT	0	666,456	666,456 25
Total (Acct. 434):	0	666,456	666,456
Miscellaneous Debits to Surplus--Debit (435):			
CORRECT 2003 CLOSING OF ACCOUNT 271	0	235,936	235,936 26
Total (Acct. 435)--Debit:	0	235,936	235,936
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215	1,407		1,407 27
Total (Acct. 436)--Debit:	1,407	0	1,407
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	101,620	845,173	946,793

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	0	0	0	0	0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):							
Cost of merchandise sold					0		2
Payroll					0		3
Materials					0		4
Taxes					0		5
Other (list by major classes):							
NONE					0		6
Total costs and expenses	0	0	0	0	0		
Net income (or loss)	0	0	0	0	0		

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

- | |
|---|
| <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	207,998	0	0	0	207,998	1
Less: interdepartmental sales	0	0	0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	207,998	0	0	0	207,998	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,046,792	1,971,520	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	579,693	541,014	2
Net Utility Plant	1,467,099	1,430,506	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	2,360,979	2,083,597	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	818,520	781,452	4
Net Nonutility Property	1,542,459	1,302,145	
Investment in Municipality (123)	0	0	5
Other Investments (124)	99,084	53,272	6
Special Funds (125)	122,908	121,501	7
Total Other Property and Investments	1,764,451	1,476,918	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	37,686	85,201	8
Temporary Cash Investments (132)		0	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	6,923	5,938	11
Other Accounts Receivable (143)	30,525	14,166	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0	0	14
Materials and Supplies (150)	41,702	41,590	15
Prepayments (165)	1,469	2,263	16
Other Current and Accrued Assets (170)		0	17
Total Current and Accrued Assets	118,305	149,158	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	7,125	7,425	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	7,125	7,425	
Total Assets and Other Debits	3,356,980	3,064,007	

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)	643,826	1,215,709	21
Appropriated Earned Surplus (215)	122,908	121,501	22
Unappropriated Earned Surplus (216)	946,793	501,442	23
Total Proprietary Capital	1,713,527	1,838,652	
LONG-TERM DEBT			
Bonds (221)	822,641	853,370	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	40,580	46,597	26
Total Long-Term Debt	863,221	899,967	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	67,284	33,770	28
Payables to Municipality (233)	429,612	232,128	29
Customer Deposits (235)	0	0	30
Taxes Accrued (236)	51,161	51,161	31
Interest Accrued (237)	8,036	8,329	32
Other Current and Accrued Liabilities (238)	0	0	33
Total Current and Accrued Liabilities	556,093	325,388	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0	0	35
Other Deferred Credits (253)	224,139	0	36
Total Deferred Credits	224,139	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)	0	0	37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	3,356,980	3,064,007	

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	1,971,520	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)	1,125,016	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	921,776	0	0	0	3
Utility Plant Purchased or Sold (391)	0				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	2,046,792	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)	315,099	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	264,594	0	0	0	12
Total Accumulated Provision	579,693	0	0	0	
Net Utility Plant	1,467,099	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)	472,382				472,382	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	25,907				25,907	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,238				1,238	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
CORRECT CLOSING OF ACCOUNT	62,656				62,656	12
					0	13
					0	14
					0	15
Total credits	89,801	0	0	0	89,801	16
Debits during year						17
Book cost of plant retired	11,148				11,148	18
Cost of removal					0	19
Other debits (specify):						20
Est Reg Liab(253): Docket 05-US-10	235,936				235,936	21
					0	22
					0	23
					0	24
Total debits	247,084	0	0	0	247,084	25
Balance end of year (110.1)	315,099	0	0	0	315,099	26
Composite Depreciation Rate?	Yes					27
If yes, what is the rate?	2.48%					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)	68,632				68,632	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	22,682				22,682	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
RECORD 2003 DEPR ON ASSETS F	173,280				173,280	12
					0	13
					0	14
					0	15
Total credits	195,962	0	0	0	195,962	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)	264,594	0	0	0	264,594	26
Composite Depreciation Rate?	Yes					27
If yes, what is the rate?	2.48%					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	2,083,597	343,073	65,691	2,360,979	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	2,083,597	343,073	65,691	2,360,979	
Less accum. prov. depr. & amort. (122)	781,452	46,378	9,310	818,520	3
Net Nonutility Property	1,302,145	296,695	56,381	1,542,459	

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

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

MATERIALS AND SUPPLIES

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

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0
Water utility	30,975	31,023
Sewer utility	10,727	10,567
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	41,702	41,590

**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)				
2001 WATER & SEWER REVENUE REFUNDING BONDS	300	428	7,125	1
Total			<u>7,125</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	1,215,709	1
Changes during year (explain):		
TOWN OF BAYFIELD - SEWER PROJECT	38,597	2
WATER & SEWER PROJECT - SLUICeway	55,976	3
ADJUST 2003 BALANCE	(666,456)	4
Balance end of year	643,826	

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)	
RURAL SERVICES WATER SYSTEM	01/01/1992	01/01/2032	5.88%	160,900	1
2001 WATER & SEWER REFUNDING BONDS	03/16/2001	09/01/2020	5.00%	475,000	2
CLEAN WATER FUND BONDS	06/13/2001	05/01/2021	2.75%	186,741	3
Total Bonds (Account 221):				822,641	

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)					
WATER & SEWER ASSESSMENT	06/08/2001	12/01/2010	5.68%	40,580	1
Total for Account 224				40,580	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	51,161	1
Accruals:		
Charged water department expense	53,348	2
Charged electric department expense		3
Charged sewer department expense	3,854	4
Other (explain):		
NONE		5
Total Accruals and other credits	57,202	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	5,810	7
PSC Remainder Assessment	231	8
Other (explain):		
TAX EQUIVALENT	51,161	9
Total payments and other debits	57,202	
Balance end of year	51,161	

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)					
	0			0	1
RURAL SERVICES	0	9,315	9,315	0	2
2001 WATER & SEWER REFUNDING BONDS	8,329	24,695	24,988	8,036	3
2001 CLEAN WATER FUND BONDS	0	5,253	5,253	0	4
Subtotal	8,329	39,263	39,556	8,036	
Advances from Municipality (223)					
NONE	0			0	5
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
WATER & SEWER ASSESSMENT NOTE PAYABLE	0	2,654	2,654	0	6
Subtotal	0	2,654	2,654	0	
Notes Payable (231)					
NONE	0			0	7
Subtotal	0	0	0	0	
Total	8,329	41,917	42,210	8,036	

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	0	1
Total (Acct. 123):	0	
Other Investments (124):		
SPECIAL ASSESSMENTS RECEIVABLE -SEWER	12,948	2
SEPCIAL ASSESSEMNTS RECEIVABLE	86,136	3
Total (Acct. 124):	99,084	
Special Funds (125):		
VARIOUS FUNDS	122,908	4
Total (Acct. 125):	122,908	
Notes Receivable (141):		
NONE	0	5
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	6,923	6
Electric		7
Sewer (Regulated)		8
Other (specify):		
NONE		9
Total (Acct. 142):	6,923	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	16,465	10
Merchandising, jobbing and contract work		11
Other (specify):		
SUNDRY ACCOUNTS RECEIVABLE	14,060	12
Total (Acct. 143):	30,525	
Receivables from Municipality (145):		
NONE		13
Total (Acct. 145):	0	
Prepayments (165):		
INSURANCE	675	14
PSC RATE INCREASE COSTS	794	15
Total (Acct. 165):	1,469	
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)	
Other Deferred Debits (183):		
NONE	17	17
Total (Acct. 183):	0	
Payables to Municipality (233):		
SEWER CONSTRUCTION ADVANCE	422,057	18
MISCELLANEOUS	7,555	19
Total (Acct. 233):	429,612	
Other Deferred Credits (253):		
Regulatory Liability	224,139	20
NONE		21
Total (Acct. 253):	224,139	

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)	1,427,776	0	0	0	1,427,776	1
Materials and Supplies	30,999	0	0	0	30,999	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	393,740	0	0	0	393,740	4
Customer Advances for Construction					0	5
Regulatory Liability	112,069	0	0	0	112,069	6
NONE					0	7
Average Net Rate Base	952,966	0	0	0	952,966	
Net Operating Income	53,235	0	0	0	53,235	8
Net Operating Income as a percent of						
Average Net Rate Base	5.59%	N/A	N/A	N/A	5.59%	

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	235,936	0	0	0	235,936	2
Other (specify): NONE					0	3
Deduct charges:						
Miscellaneous Amortization (425)	11,797				11,797	4
Other (specify): NONE					0	5
Balance End of Year	224,139	0	0	0	224,139	

FINANCIAL SECTION FOOTNOTES

Accumulated Provision for Depreciation and Amortization of Utility Plant on Utility Plant Financed by Ut

If total reported for Establish Regulatory Liability differs by more than \$100 from 2003 Acct. 110.2 (Est. deprec on contrib plnt 1/1/03), please explain.

IN 2003 THE UTILITY ERRONEOUSLY RECLASSIFIED GOVERNMENT GRANTS WHICH WERE SPECIFICALLY FOR WATER UTILITY IMPROVEMENTS AS CAPITAL PAID BY MUNICIPALITY. THIS IS BEING CORRECTED IN 2004 AND AS A RESULT THE REGULATORY LIABILITY HAD TO BE INCREASED TO REFLECT THIS.

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

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.

DONE

THE UTILITY IS IN THE PROCESS OF BUILDING A NEW SEWER PLANT. IN 2004 THE CITY BORROWED MONEY TO THE UTILITY FOR THIS PURPOSE UNTIL THE LONG TERM FINANCING COULD BE WORKED OUT. THIS HAS HAPPENED IN 2005 AND AS A RESULT THESE FUNDS HAVE BEEN REPAYED.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	205,156	203,440	1
Total Sales of Water	205,156	203,440	
Other Operating Revenues			
Forfeited Discounts (470)	358	714	2
Other Water Revenues (474)	2,484	2,245	3
Total Other Operating Revenues	2,842	2,959	
Total Operating Revenues	207,998	206,399	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	43,692	65,567	4
General Operating Expenses (680-690)	31,816	29,678	5
Total Operation and Maintenance Expenses	75,508	95,245	
Other Operating Expenses			
Depreciation Expense (403)	25,907	41,709	6
Amortization Expense (404)	0	0	7
Taxes (408)	53,348	53,683	8
Total Other Operating Expenses	79,255	95,392	
Total Operating Expenses	154,763	190,637	
NET OPERATING INCOME	53,235	15,762	

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	307	10,601	71,740	4
Commercial	127	11,837	55,692	5
Industrial				6
Total Metered Sales to General Customers (461)	434	22,438	127,432	
Private Fire Protection Service (462)	3		1,170	7
Public Fire Protection Service (463)	1		57,650	8
Other Sales to Public Authorities (464)	29	4,626	18,904	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
 Total Sales of Water	 467	 27,064	 205,156	

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)	57,650	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)	57,650	
Forfeited Discounts (470):		
Customer late payment charges	358	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	358	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,062	7
Other (specify): WATER TURN ON CHARGES, PARTS SALES & MISCELLANEOUS	1,422	8
Total Other Water Revenues (474)	2,484	

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)	21,283	21,924	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	6,058	6,384	3
Chemicals (630)		0	4
Supplies and Expenses (640)	4,271	4,714	5
Repairs of Water Plant (650)	3,592	22,291	6
Transportation Expenses (660)	8,488	10,254	7
Total Plant Operation and Maintenance Expenses	43,692	65,567	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	8,506	10,582	8
Office Supplies and Expenses (681)	5,433	4,625	9
Outside Services Employed (682)	3,251	3,124	10
Insurance Expense (684)	4,585	4,451	11
Employees Pensions and Benefits (686)	7,097	6,355	12
Regulatory Commission Expenses (688)	2,184	0	13
Miscellaneous General Expenses (689)	760	541	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	31,816	29,678	
Total Operation and Maintenance Expenses	75,508	95,245	

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		51,161	51,161	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		323	327	2
Net property tax equivalent		50,838	50,834	
Social Security		2,279	2,486	3
PSC Remainder Assessment		231	363	4
Other (specify): NONE			0	5
Total tax expense		53,348	53,683	

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			Bayfield				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.270831				3
County tax rate	mills		5.038849				4
Local tax rate	mills		7.835749				5
School tax rate	mills		10.591868				6
Voc. school tax rate	mills		1.473993				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		25.211290				10
Less: state credit	mills		1.304434				11
Net tax rate	mills		23.906856				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		7.835749				14
Combined School Tax Rate	mills		12.065861				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		19.901610				17
Total Tax Rate	mills		25.211290				18
Ratio of Local and School Tax to Total	dec.		0.789393				19
Total tax net of state credit	mills		23.906856				20
Net Local and School Tax Rate	mills		18.871899				21
Utility Plant, Jan. 1	\$	1,971,520	1,971,520				22
Materials & Supplies	\$	31,023	31,023				23
Subtotal	\$	2,002,543	2,002,543				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	2,002,543	2,002,543				26
Assessment Ratio	dec.		0.649906				27
Assessed Value	\$	1,301,465	1,301,465				28
Net Local & School Rate	mills		18.871899				29
Tax Equiv. Computed for Current Year	\$	24,561	24,561				30
Tax Equivalent per 1994 PSC Report	\$	51,161					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	51,161					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)	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)	279,419	21,740	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	279,419	21,740	
PUMPING PLANT			
Land and Land Rights (320)	100		12
Structures and Improvements (321)	316,613		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	125,977		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	11,443		20
Total Pumping Plant	454,133	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	409		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	409	0	

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

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			301,159 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	301,159
PUMPING PLANT			
Land and Land Rights (320)			100 12
Structures and Improvements (321)			316,613 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			125,977 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			11,443 20
Total Pumping Plant	0	0	454,133
WATER TREATMENT PLANT			
Land and Land Rights (330)			409 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	409

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)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	104,473		26
Transmission and Distribution Mains (343)	532,911	36,011	27
Fire Mains (344)	0		28
Services (345)	181,341	5,784	29
Meters (346)	43,907	2,852	30
Hydrants (348)	55,272	5,696	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	917,904	50,343	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	44,132		34
Office Furniture and Equipment (372)	2,063		35
Computer Equipment (372.1)	2,048		36
Transportation Equipment (373)	15,585		37
Other General Equipment (379)	14,844		38
Other Tangible Property (390)	0		39
Total General Plant	78,672	0	
Total utility plant in service directly assignable	1,730,537	72,083	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,730,537	72,083	

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)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			104,473 26
Transmission and Distribution Mains (343)	5,234	(461,387)	102,301 27
Fire Mains (344)			0 28
Services (345)	2,971	(157,166)	26,988 29
Meters (346)	639		46,120 30
Hydrants (348)	2,304	(47,903)	10,761 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	11,148	(666,456)	290,643
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			44,132 34
Office Furniture and Equipment (372)			2,063 35
Computer Equipment (372.1)			2,048 36
Transportation Equipment (373)			15,585 37
Other General Equipment (379)			14,844 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	78,672
Total utility plant in service directly assignable	11,148	(666,456)	1,125,016
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	11,148	(666,456)	1,125,016

**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)	166,886	4,913	27
Fire Mains (344)	0		28
Services (345)	56,788	6,788	29
Meters (346)	0		30
Hydrants (348)	17,309	2,636	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	240,983	14,337	
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	240,983	14,337	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	240,983	14,337	

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)		461,387	633,186 27
Fire Mains (344)			0 28
Services (345)		157,166	220,742 29
Meters (346)			0 30
Hydrants (348)		47,903	67,848 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	666,456	921,776
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	666,456	921,776
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	666,456	921,776

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			3,362	3,362	1
February			3,576	3,576	2
March			3,604	3,604	3
April			3,524	3,524	4
May			4,305	4,305	5
June			5,129	5,129	6
July			6,572	6,572	7
August			6,251	6,251	8
September			5,056	5,056	9
October			3,954	3,954	10
November			3,211	3,211	11
December			3,646	3,646	12
Total annual pumpage	0	0	52,190	52,190	
Less: Water sold				27,064	13
Volume pumped but not sold				25,126	14
Volume sold as a percent of volume pumped				52%	15
Volume used for water production, water quality and system maintenance				315	16
Volume related to equipment/system malfunction				9,580	17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				9,895	19
Volume pumped but unaccounted for				15,231	20
Percent of water lost				29%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					22
SEVERAL LEAKS WERE FIXED LATE SUMMER & EARLY FALL WHICH WILL HELP REDUCE WATER LOSS.TWO MORE EXCESSIVE LEAKS WILL BE FIXED THIS SPRING. UTILITY IS BUYING LEAK DETECTION EQUIPMENT THIS YEAR TO HELP FIND AND REPAIR MORE LEAKS.					
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				286	23
Date of maximum: 7/5/2004					24
Cause of maximum:					25
HIGH SEASONAL USE - HOLIDAY					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				92	26
Date of minimum: 1/23/2004					27
Total KWH used for pumping for the year				71,500	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)	
1100 MANYPENNY AVENUE	3	710	12	796,000	Yes	1
NORTH SIXTH STREET	4	800	12	720,000	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	3	4	1
Location	1100 MANNYPENNY AVENUE	NORTH SIXTH STREET	2
Purpose	P	P	3
Destination	D	D	4
Pump Manufacturer	BRYON JOHNSON	NONE	5
Year Installed	1982	1993	6
Type	CENTRIFUGAL	CENTRIFUGAL	7
Actual Capacity (gpm)	553	560	8
Pump Motor or Standby Engine Mfr	US MOTORS	GE	9
Year Installed	1982	1993	10
Type	ELECTRIC	ELECTRIC	11
Horsepower	40	50	12

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

RESERVOIRS, STANDPIPES & WATER TREATMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	1	2	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	R	3
Year constructed	1950	1982	4
Primary material (earthen, steel, concrete, other)	CONCRETE	CONCRETE	5
Elevation difference in feet (See Headnote 3.)	290	290	6
Total capacity in gallons (actual)	160,000	47,000	7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER		9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		10
Filters, type (gravity, pressure, other, none)	NONE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.0000		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	0.500	325	0	0	0	325	1
M	D	0.750	1,430	0	0	0	1,430	2
M	D	1.000	1,660	0	0	0	1,660	3
M	D	1.250	2,800	0	0	0	2,800	4
M	D	1.500	2,150	0	0	0	2,150	5
M	D	2.000	3,850	0	0	0	3,850	6
M	D	2.500	200	0	0	0	200	7
M	D	3.000	2,500	0	0	0	2,500	8
M	D	4.000	9,597	0	0	0	9,597	9
M	D	6.000	22,172	219	57	0	22,334	10
M	D	8.000	4,928	329	329	0	4,928	11
Total Within Municipality			51,612	548	386	0	51,774	
Total Utility			51,612	548	386	0	51,774	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.625	401	7	8	0	400	50	1
M	1.000	47	4	1	0	50	2	2
P	1.000	1	0	0	0	1		3
M	1.250	3	0	0	0	3		4
M	1.500	14	1	0	0	15		5
M	2.000	12	0	0	0	12		6
M	3.000	1	0	0	0	1		7
M	4.000	2	0	0	0	2		8
Total Utility		481	12	9	0	484	52	

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	303		6	11	308	3	1
0.750	104	22	1	(24)	101	9	2
1.000	43	1	0	2	46	0	3
1.250	5	0	0		5	0	4
1.500	13	1	0	1	15	0	5
2.000	13		0	(2)	11	1	6
3.000	0	0	0	1	1	0	7
Total:	481	24	7	(11)	487	13	

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	225	58	0	13	0	12	308	1
0.750	64	23	0	6	0	8	101	2
1.000	18	26	0	0	0	2	46	3
1.250	0	5	0	0	0	0	5	4
1.500	0	8	0	6	0	1	15	5
2.000	0	7	0	3	0	1	11	6
3.000	0	0	0	1	0	0	1	7
Total:	307	127	0	29	0	24	487	

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	63	3	2		64	2
Total Fire Hydrants	63	3	2	0	64	
Flushing Hydrants						
	5				5	3
Total Flushing Hydrants	5	0	0	0	5	

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:	64
Number of distribution system valves end of year:	166
Number of distribution valves operated during year:	83

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.

ACCOUNT 688 - IN 2004 THE UTILITY APPLIED TO THE PSC TO RAISE WATER RATES. THIS RATE APPLICATION WAS ULTIMATELY WITHDRAWN. THE COSTS IN ACCOUNT 688 WERE THE RESULT OF THIS APPLICATION.

ACCOUNT 650 - THE UTILITY EXPENDED A LARGE AMOUNT IN 2003 ON WATER PLANT REPAIRS. THIS DID NOT HAPPEN IN 2004. 2003 WAS AN UNUSUALLY LARGE YEAR.

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

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

ACCOUNT 314 - THE UTILITY PURCHASED EQUIPMENT SO IT WOULD BE ABLE TO MONITOR ITS WELLS AND THEIR OPERATION FROM CITY HALL.

If Adjustments for any account are nonzero, please explain.

THE UTILITY ERRONEOUSLY CLASSIFIED \$666,456 OF GOVERNMENT GRANTS AS CAPITAL PAID IN BY MUNICIPALITY IN 2003. THIS IS BEING CORRECTED AND AS A RESULT IT WAS NECESSARY TO MOVE PLANT FINANCED BY THE UTILITY TO PLANT FINANCED BY CONTRIBUTIONS IN THE AMOUNT OF \$666,456.

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

If Adjustments for any account are nonzero, please explain.

SEE EXPLANATION FOR SCHEDULE W - 08.

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.

THE CUSTOMER IS CHARGED WHEN THEY REQUEST A NEW WATER SERVICE. IN 2004 THE CITY REPLACED WATER MAINS AT ITS EXPENSE AND DID NOT CHARGE THE UTILITY TO DO SO.

Water Services (Page W-18)

If net additions are greater than zero, please explain financing by following criteria listed in schedule headnote No. 3.

THE CUSTOMER IS CHARGED THE COST WHEN THEY REQUEST A NEW SERVICE. IN 2004 THE CITY REPLACED SERVICES AS THE RESULT OF A STREET PROJECT. THE CITY DID NOT CHARGE THE UTILITY TO DO THIS.

Meters (Page W-19)

Explain all reported adjustments.

ADJUSTMENT WERE MADE TO AGREE WITH ACTUAL.

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.

N/A