



3015 (02-02-05)

ANNUAL REPORT

OF

Name: CITY OF HILLSBORO MUNICIPAL WATER UTILITY

Principal Office: P.O. BOX 447
HILLSBORO, WI 54634

For the Year Ended: DECEMBER 31, 2005

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: CITY OF HILLSBORO MUNICIPAL WATER UTILITY

Utility Address: P.O. BOX 447
HILLSBORO, WI 54634

When was utility organized? 1/1/1997

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: SHEILA SCHRAUFNEGEL

Title: CITY CLERK

Office Address:

P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (608) 489 - 2521

Fax Number: (608) 489 - 3905

E-mail Address:

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

Name: JOHN E VIG

Title: MANAGING MEMBER

Office Address: VIG & ASSOCIATES, LLC
117 WEST COURT STREET
P.O. BOX 271
VIROQUA, WI 54665

Telephone: (608) 637 - 2082

Fax Number: (608) 637 - 3021

E-mail Address: jackv@frontiernet.net

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

Name: ALAN PICHA

Title: MAYOR

Office Address:

P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (608) 489 - 2521

Fax Number: (608) 489 - 3908

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: JOHN E VIG

Title: MANAGING MEMBER

Office Address: VIG & ASSOCIATES, LLC
117 WEST COURT STREET
P.O. BOX 271
VIROQUA, WI 54665

Telephone: (608) 637 - 2082

Fax Number: (608) 637 - 3021

E-mail Address: jackv@frontiernet.net

Date of most recent audit report: 1/19/2006

Period covered by most recent audit: 12/31/05

Names and titles of utility management including manager or superintendent:

Name: MIKE LANGE

Title: UTILITY SUPERINTENDENT

Office Address:
P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (608) 489 - 2521

Fax Number: (608) 489 - 3905

E-mail Address:

Name of utility commission/committee: COMMON COUNCIL

Names of members of utility commission/committee:

- BOB COPPERNOLL
 - DONALD EHLER, REV.
 - JERI HELGERSON
 - R. DALE JONES
 - GREG KUBARSKI
 - MARK LANKEY
 - DARROW NOVY
 - MARY JO ONSAGER
 - ALAN PICHA, MAYOR
-

Is sewer service rendered by the utility? NO

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

Date of Ordinance:

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	229,161	227,868	1
Operating Expenses:			
Operation and Maintenance Expense (401)	171,918	104,062	2
Depreciation Expense (403)	29,644	29,642	3
Amortization Expense (404)	3,344	3,344	4
Taxes (408)	32,016	33,578	5
Total Operating Expenses	236,922	170,626	
Net Operating Income	(7,761)	57,242	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(7,761)	57,242	
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)	2,425	765	9
Miscellaneous Nonoperating Income (421)	1,000	500	10
Total Other Income	3,425	1,265	
Total Income	(4,336)	58,507	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(1,936)	(1,936)	11
Other Income Deductions (426)	2,371	2,366	12
Total Miscellaneous Income Deductions	435	430	
Income Before Interest Charges	(4,771)	58,077	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	33,425	36,673	13
Amortization of Debt Discount and Expense (428)	0	0	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	33,425	36,673	
Net Income	(38,196)	21,404	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	303,326	316,093	19
Balance Transferred from Income (433)	(38,196)	21,404	20
Miscellaneous Credits to Surplus (434)	0	4,539	21
Miscellaneous Debits to Surplus--Debit (435)	0	38,710	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)	265,130	303,326	

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	229,161		229,161	1
Total (Acct. 400):	229,161	0	229,161	
Operation and Maintenance Expense (401):				
Derived	171,918		171,918	2
Total (Acct. 401):	171,918	0	171,918	
Depreciation Expense (403):				
Derived	29,644		29,644	3
Total (Acct. 403):	29,644	0	29,644	
Amortization Expense (404):				
Derived	3,344		3,344	4
Total (Acct. 404):	3,344	0	3,344	
Taxes (408):				
Derived	32,016		32,016	5
Total (Acct. 408):	32,016	0	32,016	
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:	(7,761)	0	(7,761)	
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 AND DIVIDEND INCOME	2,425	0	2,425	10
Total (Acct. 419):	2,425	0	2,425	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water		1,000	1,000	11

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
NONE	0	0	0 12
Total (Acct. 421):	0	1,000	1,000
TOTAL OTHER INCOME:	2,425	1,000	3,425

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(1,936)	[REDACTED]	(1,936) 13
NONE	0	0	0 14
Total (Acct. 425):	(1,936)	0	(1,936)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	[REDACTED]	2,371	2,371 15
NONE	0	0	0 16
Total (Acct. 426):	0	2,371	2,371
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(1,936)	2,371	435

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	33,425	[REDACTED]	33,425 17
Total (Acct. 427):	33,425	0	33,425
Amortization of Debt Discount and Expense (428):			
NONE	0	[REDACTED]	0 18
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0	[REDACTED]	0 19
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0	[REDACTED]	0 20
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0	[REDACTED]	0 21
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 22
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	33,425	0	33,425
NET INCOME:	(36,825)	(1,371)	(38,196)
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	141,052	162,274	303,326 23
Total (Acct. 216):	141,052	162,274	303,326
Balance Transferred from Income (433):			
Derived	(36,825)	(1,371)	(38,196) 24
Total (Acct. 433):	(36,825)	(1,371)	(38,196)
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 25
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 26
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 27
Total (Acct. 436)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	104,227	160,903	265,130

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):						
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	229,161	0	0	0	229,161	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:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	229,161	0	0	0	229,161	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,625,170	1,625,170	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	423,358	386,701	2
Net Utility Plant	1,201,812	1,238,469	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	41,717	41,717	5
Other Investments (124)	0	0	6
Special Funds (125)	46,554	137,105	7
Total Other Property and Investments	88,271	178,822	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	148,806	109,876	8
Temporary Cash Investments (132)	14,861	14,312	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	14,662	12,993	11
Other Accounts Receivable (143)	334	2,438	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	9,354	7,807	14
Materials and Supplies (150)	18,193	8,647	15
Prepayments (165)	3,701	3,589	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	209,911	159,662	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	14,146	17,490	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	14,146	17,490	
Total Assets and Other Debits	1,514,140	1,594,443	

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)	589,502	577,838	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	265,130	303,326	23
Total Proprietary Capital	854,632	881,164	
LONG-TERM DEBT			
Bonds (221)	427,120	513,601	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	155,167	118,450	26
Total Long-Term Debt	582,287	632,051	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	6,133	680	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	29,683	31,404	31
Interest Accrued (237)	4,543	10,221	32
Other Current and Accrued Liabilities (238)	2,024	2,149	33
Total Current and Accrued Liabilities	42,383	44,454	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	34,838	36,774	36
Total Deferred Credits	34,838	36,774	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	1,514,140	1,594,443	

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	1,625,170	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)	1,424,003	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	201,167	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	1,625,170	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)	377,555	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	45,803	0	0	0	12
Total Accumulated Provision	423,358	0	0	0	
Net Utility Plant	1,201,812	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)	343,269				343,269	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	29,644				29,644	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	4,642				4,642	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	34,286	0	0	0	34,286	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)	377,555	0	0	0	377,555	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)	43,432				43,432	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	2,371				2,371	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	2,371	0	0	0	2,371	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)	45,803	0	0	0	45,803	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	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

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

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	0	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		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	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	18,193	8,647	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	18,193	8,647	

**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)				
1987 MRB	1,367	428	14,146	1
1995 MRB	1,977	428	0	2
Total			14,146	
Unamortized premium on debt (251)				
NONE				3
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	577,838	1
Changes during year (explain):		
2000 GO REFUNDING BONDS ARE NOW BEING SERVICED BY TIF #2	11,664	2
Balance end of year	<u>589,502</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)	
MORTGAGE BONDS	09/30/2005	08/16/2015	4.20%	427,120	1
Total Bonds (Account 221):				427,120	

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)					
UNFUNDED RET LIAB PAYOFF NOTES PAYABLE	01/05/2005	01/05/2015	4.21%	43,202	1
GO BONDS	12/01/2000	12/01/2018	4.70%	111,965	2
Total for Account 224				155,167	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	31,404	1
Accruals:		
Charged water department expense	32,016	2
Charged electric department expense		3
Charged sewer department expense	1,677	4
Other (explain):		
NONE		5
Total Accruals and other credits	33,693	
Taxes paid during year:		
County, state and local taxes	31,404	6
Social Security taxes	3,832	7
PSC Remainder Assessment	178	8
Other (explain):		
NONE		9
Total payments and other debits	35,414	
Balance end of year	29,683	

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)					
MRBS	9,706	26,452	33,897	2,261	1
Subtotal	9,706	26,452	33,897	2,261	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
UNFUNDED RET LIAB PAYOFF NOTES PAYABLE	0	1,794	0	1,794	3
GO BONDS	515	5,179	5,206	488	4
Subtotal	515	6,973	5,206	2,282	
Notes Payable (231)					
NONE	0			0	5
Subtotal	0	0	0	0	
Total	10,221	33,425	39,103	4,543	

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):		
INVESTMENT IN MUNICIPALITY	41,717	1
Total (Acct. 123):	41,717	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
BOND DEPRECIATION SAVINGS	13,507	3
BOND RESERVE SAVINGS	15,283	4
BOND DEPRECIATION	17,764	5
Total (Acct. 125):	46,554	
Notes Receivable (141):		
NONE		6
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	14,662	7
Electric		8
Sewer (Regulated)		9
Other (specify):		
NONE		10
Total (Acct. 142):	14,662	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		11
Merchandising, jobbing and contract work		12
Other (specify):		
NONE		13
EMPLOYEE FICA RECEIVABLE	334	14
Total (Acct. 143):	334	
Receivables from Municipality (145):		
RECEIVABLE FROM MUNICIPALITY	4,815	15
ADVANCES TO TIF	4,539	16
Total (Acct. 145):	9,354	
Prepayments (165):		
PREPAID INSURANCE	3,701	17
Total (Acct. 165):	3,701	

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)	
Extraordinary Property Losses (182):		
NONE		18
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		19
Total (Acct. 183):	0	
Payables to Municipality (233):		
NONE		20
Total (Acct. 233):	0	
Other Deferred Credits (253):		
Regulatory Liability	34,838	21
NONE		22
Total (Acct. 253):	34,838	

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)	1,424,003	0	0	0	1,424,003	1
Materials and Supplies	13,420	0	0	0	13,420	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	360,412	0	0	0	360,412	4
Customer Advances for Construction					0	5
Regulatory Liability	35,806	0	0	0	35,806	6
NONE					0	7
Average Net Rate Base	1,041,205	0	0	0	1,041,205	
Net Operating Income	(7,761)	0	0	0	(7,761)	8
Net Operating Income as a percent of						
Average Net Rate Base	-0.75%	N/A	N/A	N/A	-0.75%	

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	1.3	1
Electric		2
Gas		3
Sewer		4

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

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Balance First of Year	36,774	0	0	0	36,774	1
Add credits during year:						
NONE					0	2
Deduct charges:						
Miscellaneous Amortization (425)	1,936	0	0	0	1,936	3
Other (specify):						
NONE					0	4
Balance End of Year	34,838	0	0	0	34,838	

FINANCIAL SECTION FOOTNOTES

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

Signature Page (Page ii)

General footnotes

Vig & Associates LLC Letterhead)

To the Members of the Common Council
Of the City of Hillsboro
Hillsboro, Wisconsin 54634

We have compiled the balance sheets of the Hillsboro Municipal Water Utility as of December 31, 2005 and 2004, and the related statements of income and retained earnings for the years then ended, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

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

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

Vig & Associates LLC
March 6, 2006

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	221,438	219,776	1
Total Sales of Water	221,438	219,776	
Other Operating Revenues			
Forfeited Discounts (470)	1,140	1,099	2
Other Water Revenues (474)	6,583	6,993	3
Total Other Operating Revenues	7,723	8,092	
Total Operating Revenues	229,161	227,868	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	65,519	51,718	4
General Operating Expenses (680-690)	106,399	52,344	5
Total Operation and Maintenance Expenses	171,918	104,062	
Other Operating Expenses			
Depreciation Expense (403)	29,644	29,642	6
Amortization Expense (404)	3,344	3,344	7
Taxes (408)	32,016	33,578	8
Total Other Operating Expenses	65,004	66,564	
Total Operating Expenses	236,922	170,626	
NET OPERATING INCOME	(7,761)	57,242	

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	526	21,466	83,598	4
Commercial	63	4,349	13,359	5
Industrial	13	8,134	10,895	6
Total Metered Sales to General Customers (461)	602	33,949	107,852	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		97,823	8
Other Sales to Public Authorities (464)	28	5,574	15,763	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	631	39,523	221,438	

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)

- | |
|---|
| <p>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).</p> |
|---|

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	97,823	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)	97,823	
Forfeited Discounts (470):		
Customer late payment charges	1,140	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	1,140	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	4,494	7
Other (specify): WATER RECONNECTS AND DEDUCT METERS	1,383	8
MISCELLANEOUS REVENUE	706	9
Total Other Water Revenues (474)	6,583	

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)	34,216	33,628	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	5,936	6,165	3
Chemicals (630)	6,794	5,428	4
Supplies and Expenses (640)	1,162	803	5
Repairs of Water Plant (650)	11,282	5,021	6
Transportation Expenses (660)	6,129	673	7
Total Plant Operation and Maintenance Expenses	65,519	51,718	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	19,302	17,751	8
Office Supplies and Expenses (681)	6,111	4,306	9
Outside Services Employed (682)	15,709	7,644	10
Insurance Expense (684)	4,823	4,407	11
Employees Pensions and Benefits (686)	57,910	15,216	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	2,544	3,020	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	106,399	52,344	
Total Operation and Maintenance Expenses	171,918	104,062	

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		29,683	31,404	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		1,677	1,772	2
Net property tax equivalent		28,006	29,632	
Social Security		3,832	3,640	3
PSC Remainder Assessment		178	306	4
Other (specify): NONE			0	5
Total tax expense		32,016	33,578	

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			Vernon				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.215643				3
County tax rate	mills		6.784560				4
Local tax rate	mills		9.705072				5
School tax rate	mills		9.570282				6
Voc. school tax rate	mills		2.417170				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		28.692727				10
Less: state credit	mills		1.067240				11
Net tax rate	mills		27.625487				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		9.705072				14
Combined School Tax Rate	mills		11.987452				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		21.692524				17
Total Tax Rate	mills		28.692727				18
Ratio of Local and School Tax to Total	dec.		0.756029				19
Total tax net of state credit	mills		27.625487				20
Net Local and School Tax Rate	mills		20.885660				21
Utility Plant, Jan. 1	\$	1,625,170	1,625,170				22
Materials & Supplies	\$	8,647	8,647				23
Subtotal	\$	1,633,817	1,633,817				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	1,633,817	1,633,817				26
Assessment Ratio	dec.		0.869860				27
Assessed Value	\$	1,421,192	1,421,192				28
Net Local & School Rate	mills		20.885660				29
Tax Equiv. Computed for Current Year	\$	29,683	29,683				30
Tax Equivalent per 1994 PSC Report	\$	12,274					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	29,683					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)	437		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	437	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	579		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)	13,771		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	14,350	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	9,070		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	128,240		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	1,507		20
Total Pumping Plant	138,817	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 Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			437	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	437	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			579	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)			13,771	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	14,350	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			9,070	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			128,240	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			1,507	20
Total Pumping Plant	0	0	138,817	
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 Utility or Municipality--

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	8,704		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	197,868		26
Transmission and Distribution Mains (343)	638,011		27
Fire Mains (344)	0		28
Services (345)	117,240		29
Meters (346)	184,565		30
Hydrants (348)	83,139		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,229,527	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	3,000		34
Office Furniture and Equipment (372)	1,424		35
Computer Equipment (372.1)	10,835		36
Transportation Equipment (373)	15,077		37
Other General Equipment (379)	10,536		38
Other Tangible Property (390)	0		39
Total General Plant	40,872	0	
Total utility plant in service directly assignable	1,424,003	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,424,003	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)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			8,704 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			197,868 26
Transmission and Distribution Mains (343)			638,011 27
Fire Mains (344)			0 28
Services (345)			117,240 29
Meters (346)			184,565 30
Hydrants (348)			83,139 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	1,229,527
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			3,000 34
Office Furniture and Equipment (372)			1,424 35
Computer Equipment (372.1)			10,835 36
Transportation Equipment (373)			15,077 37
Other General Equipment (379)			10,536 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	40,872
Total utility plant in service directly assignable	0	0	1,424,003
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	1,424,003

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)	153,959		27
Fire Mains (344)	0		28
Services (345)	37,691		29
Meters (346)	0		30
Hydrants (348)	9,517		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	201,167	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	0		38
Other Tangible Property (390)	0		39
Total General Plant	0	0	
Total utility plant in service directly assignable	201,167	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	201,167	0	

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

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			153,959 27
Fire Mains (344)			0 28
Services (345)			37,691 29
Meters (346)			0 30
Hydrants (348)			9,517 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	201,167
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	201,167
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	201,167

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 (a)	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)	Total Gallons All Methods (000's) (e)	
January			3,193	3,193	1
February			2,684	2,684	2
March			3,284	3,284	3
April			3,340	3,340	4
May			3,837	3,837	5
June			3,972	3,972	6
July			4,100	4,100	7
August			3,952	3,952	8
September			3,886	3,886	9
October			3,742	3,742	10
November			3,283	3,283	11
December			3,379	3,379	12
Total annual pumpage	0	0	42,652	42,652	
Less: Water sold				39,523	13
Volume pumped but not sold				3,129	14
Volume sold as a percent of volume pumped				93%	15
Volume used for water production, water quality and system maintenance				400	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				400	19
Volume pumped but unaccounted for				2,729	20
Percent of water lost				6%	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.)				422	24
Date of maximum: 5/27/2005					25
Cause of maximum:					26
Filling the swimming pool and a main break.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				0	27
Date of minimum: 1/21/2005					28
Total KWH used for pumping for the year				77,308	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)	
HIGHWAY 33	1	275	12	480,000	Yes	1
MECHANIC STREET	2	327	12	504,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

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

PUMPING & POWER EQUIPMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	1	2	1
Location	HIGHWAY 33	MECHANIC STREET	2
Purpose	P	P	3
Destination	R D	R D	4
Pump Manufacturer	LAYNE NW	WORTHINGTON	5
Year Installed	1993	1988	6
Type	VERTICAL TURBINE	CENTRIFUGAL	7
Actual Capacity (gpm)	420	420	8
Pump Motor or Standby Engine Mfr	US ELECTRICAL	US ELECTRICAL	9 10
Year Installed	1982	1993	11
Type	ELECTRIC	ELECTRIC	12
Horsepower	30	30	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 23
Year Installed			24
Type			25
Horsepower			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	2		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		3
Year constructed	1982		4
Primary material (earthen, steel, concrete, other)	OTHER		5
Elevation difference in feet (See Headnote 3.)	155		6
Total capacity in gallons (actual)	500,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER		9
Points of application (wellhouse, central facilities, booster station, other)	OTHER		10
Filters, type (gravity, pressure, other, none)	NONE		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)?	Y		13
Is water fluoridated (yes, no)?	N		14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	1.000	1,480	0	0	0	1,480	1
M	D	1.500	3,404	0	0	0	3,404	2
M	D	2.000	1,987	0	0	0	1,987	3
M	D	4.000	200	0	0	0	200	4
M	D	6.000	31,424	0	0	0	31,424	5
M	D	8.000	14,185	0	0	0	14,185	6
M	D	10.000	740	0	0	0	740	7
M	D	12.000	6,930	0	0	0	6,930	8
Total Within Municipality			60,350	0	0	0	60,350	
M	D	10.000	1,295	0	0	0	1,295	9
Total Outside of Municipality			1,295	0	0	0	1,295	
Total Utility			61,645	0	0	0	61,645	

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	28	0	0	0	28		1
M	0.750	525	0	0	0	525	8	2
M	1.000	97	0	0	0	97	17	3
M	1.250	9	0	0	0	9		4
M	1.500	2	0	0	0	2		5
M	2.000	5	0	0	0	5		6
M	4.000	8	0	0	0	8		7
Total Utility		674	0	0	0	674	25	

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	684	0	0	(22)	662	0	1
1.000	7	0	0	(2)	5	0	2
1.500	11	0	0	(2)	9	0	3
2.000	17	0	0	3	20	17	4
4.000	9	0	0	(2)	7	7	5
Total:	728	0	0	(25)	703	24	

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	540	61	8	11	6	36	662	1
1.000	1	2	2	0	0	0	5	2
1.500	0	3	1	3	2	0	9	3
2.000	0	4	7	7	2	0	20	4
4.000	0	0	1	4	0	2	7	5
Total:	541	70	19	25	10	38	703	

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	2				2	1
Within Municipality	110				110	2
Total Fire Hydrants	112	0	0	0	112	
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:	110
Number of distribution system valves end of year:	155
Number of distribution valves operated during year:	69

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.

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 of Water Plant increased in 2005 due to increase repairs of hydrants.

Account 660: The increase in Transportation Expense is due to repairs to a '97 Chevy S-10 from an accident.

Account 682: The increase is due to contracting outside services for a safe water drinking analysis, a dive team to inspect and clean on-grade reservoir, and other services.

Account 686: Employees Pensions and benefits increase due to the City paying off their unfunded liability in 2005.

Meters (Page W-19)

Explain all reported adjustments.

Adjustments were made due to the Utility Superintendent and the City Clerk analyzing the actual meters that were inservice, not inservice, and being billed.

Explain program for replacing or testing meters 1" or smaller.

IT IS THE PROGRAM OF THE CITY TO TEST THESE METERS EVERY 10 YEARS. THE CITY WILL INCREASE THEIR TESTING TO ENSURE THE METERS OF 1" OR SMALLER ARE BEING TESTED EVERY TEN YEARS.

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

THE WATER UTILITY TRIES TO TEST THE STATION METERS EVERY TWO YEARS.

Hydrants and Distribution System Valves (Page W-20)

General footnotes

The Utility Superintendent was unaware that half of the distributions valves should be operated every year. However half of the valves will be operated going forward.