



3015 (02-02-05)

ANNUAL REPORT

OF

Name: MERCER SANITARY DISTRICT NUMBER ONE

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

For the Year Ended: DECEMBER 31, 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: MERCER SANITARY DISTRICT NUMBER ONE

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

When was utility organized? 1/1/1965

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: LUCIEN PERRON

Title: PRESIDENT

Office Address:

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

Telephone: (715) 476 - 3575

Fax Number: (715) 476 - 3575

E-mail Address:

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

Name: DAVID TRACZYK

Title: OWNER

Office Address: DAVID TRACZYK CPA

327 SILVER ST
HURLEY, WI 54534-1255

Telephone: (715) 561 - 3299

Fax Number: (715) 561 - 4099

E-mail Address: bkkkg@charterinternet.com

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

Name: LUCIEN PERRON

Title: PRESIDENT

Office Address:

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

Telephone: (715) 476 - 3575

Fax Number: (715) 476 - 3575

E-mail Address:

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

IDENTIFICATION AND OWNERSHIP

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

Name: DAVID TRACZYK

Title: OWNER

Office Address: DAVID TRACZYK CPA

327 SILVER ST

HURLEY, WI 54534-1255

Telephone: (715) 561 - 3299

Fax Number: (715) 561 - 4099

E-mail Address: bkkkg@charterinternet.com

Date of most recent audit report: 4/25/2005

Period covered by most recent audit: 2004

Names and titles of utility management including manager or superintendent:

Name: RICHARD A GRASER

Title: OPERATOR

Office Address:

P.O. BOX 660

MERCER, WI 54547

Telephone: (715) 476 - 3574

Fax Number: (715) 476 - 3575

E-mail Address:

Name of utility commission/committee: BOARD OF COMMISSIONERS

Names of members of utility commission/committee:

EARL HILDEBRANDT, COMMISSIONER

LUCIEN PERRON, COMMISSIONER

THOMAS THOMPSON, PRESIDENT

Is sewer service rendered by the utility? YES

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes? YES

Date of Ordinance: 1/1/1965

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	151,275	175,501	1
Operating Expenses:			
Operation and Maintenance Expense (401)	149,840	117,081	2
Depreciation Expense (403)	29,016	28,667	3
Amortization Expense (404)	0	0	4
Taxes (408)	3,224	4,348	5
Total Operating Expenses	182,080	150,096	
Net Operating Income	(30,805)	25,405	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(30,805)	25,405	
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)	25,185	24,267	9
Miscellaneous Nonoperating Income (421)	208,667	286,534	10
Total Other Income	233,852	310,801	
Total Income	203,047	336,206	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(11,980)	(11,980)	11
Other Income Deductions (426)	15,556	14,150	12
Total Miscellaneous Income Deductions	3,576	2,170	
Income Before Interest Charges	199,471	334,036	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	106,484	92,695	13
Amortization of Debt Discount and Expense (428)	8,668	1,571	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	115,152	94,266	
Net Income	84,319	239,770	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	4,639,732	4,399,962	19
Balance Transferred from Income (433)	84,319	239,770	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	4,724,051	4,639,732	

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	151,275		151,275	1
Total (Acct. 400):	151,275	0	151,275	
Operation and Maintenance Expense (401):				
Derived	149,840		149,840	2
Total (Acct. 401):	149,840	0	149,840	
Depreciation Expense (403):				
Derived	29,016		29,016	3
Total (Acct. 403):	29,016	0	29,016	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	3,224		3,224	5
Total (Acct. 408):	3,224	0	3,224	
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:	(30,805)	0	(30,805)	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST FROM BANK ACCOUNTS	8,425	0	8,425	10
INTEREST FROM SPECIAL ASSESSMENTS	16,760	0	16,760	11
Total (Acct. 419):	25,185	0	25,185	

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
Contributed Plant - Water		76,636	76,636 12
NONREGULATED SEWER	52,031	0	52,031 13
ORIOERTT TAX KEVT	80,000	0	80,000 14
Total (Acct. 421):	132,031	76,636	208,667
TOTAL OTHER INCOME:	157,216	76,636	233,852

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(11,980)		(11,980) 15
NONE	0	0	0 16
Total (Acct. 425):	(11,980)	0	(11,980)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		15,556	15,556 17
NONE	0	0	0 18
Total (Acct. 426):	0	15,556	15,556
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(11,980)	15,556	3,576

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	106,484		106,484 19
Total (Acct. 427):	106,484	0	106,484
Amortization of Debt Discount and Expense (428):			
AMORTIZATION OF DEBT EXPENSE	8,668		8,668 20
Total (Acct. 428):	8,668	0	8,668
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 21
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0		0 22
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0		0 23
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 24
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	115,152	0	115,152
NET INCOME:	23,239	61,080	84,319
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	265,177	4,374,555	4,639,732 25
Total (Acct. 216):	265,177	4,374,555	4,639,732
Balance Transferred from Income (433):			
Derived	23,239	61,080	84,319 26
Total (Acct. 433):	23,239	61,080	84,319
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 27
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 28
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215	0		0 29
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 30
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	288,416	4,435,635	4,724,051

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

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

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

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

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	151,275	0	0	0	151,275	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	151,275	0	0	0	151,275	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,819,203	2,245,741	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	640,268	595,696	2
Net Utility Plant	2,178,935	1,650,045	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	5,311,332	5,256,014	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	732,926	659,934	4
Net Nonutility Property	4,578,406	4,596,080	
Investment in Municipality (123)	0	0	5
Other Investments (124)	406,083	376,239	6
Special Funds (125)	300,000	305,397	7
Total Other Property and Investments	5,284,489	5,277,716	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	55,202	83,009	8
Temporary Cash Investments (132)		0	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	9,026	9,795	11
Other Accounts Receivable (143)	14,579	16,251	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	102,220	129,088	14
Materials and Supplies (150)	7,125	10,130	15
Prepayments (165)	6,582	5,643	16
Other Current and Accrued Assets (170)	16,309	17,963	17
Total Current and Accrued Assets	211,043	271,879	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	69,646	13,067	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	228,887	20
Total Deferred Debits	69,646	241,954	
Total Assets and Other Debits	7,744,113	7,441,594	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	289,708	289,708	21
Appropriated Earned Surplus (215)		0	22
Unappropriated Earned Surplus (216)	4,724,051	4,639,732	23
Total Proprietary Capital	5,013,759	4,929,440	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	2,123,689	1,876,076	26
Total Long-Term Debt	2,123,689	1,876,076	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	9,197	15,848	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)		0	30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	26,684	17,711	32
Other Current and Accrued Liabilities (238)	5,126	5,435	33
Total Current and Accrued Liabilities	41,007	38,994	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)		0	35
Other Deferred Credits (253)	565,658	597,084	36
Total Deferred Credits	565,658	597,084	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)		0	37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	7,744,113	7,441,594	

NET UTILITY PLANT

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

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	2,245,741	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	1,139,927	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	1,151,124	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)	528,152				8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	2,819,203	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)	357,870	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	282,398	0	0	0	12
Total Accumulated Provision	640,268	0	0	0	
Net Utility Plant	2,178,935	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)	328,854				328,854	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	29,016				29,016	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	29,016	0	0	0	29,016	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)	357,870	0	0	0	357,870	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)	266,842				266,842	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	15,556				15,556	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	15,556	0	0	0	15,556	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)	282,398	0	0	0	282,398	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	5,256,014	55,318		5,311,332	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	5,256,014	55,318	0	5,311,332	
Less accum. prov. depr. & amort. (122)	659,934	72,992		732,926	3
Net Nonutility Property	4,596,080	(17,674)	0	4,578,406	

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	7,125	10,130 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	7,125	10,130

**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)				
COST OF 2005 ADVANCE REFUNDING	4,402	428	23,112	1
ISSUE COSTS OF 2005 NOTES	2,695	428	35,037	2
ISSUE COSTS OF 4-01 NOTES	1,328	428	6,970	3
ISSUE COSTS OF DNR CLEAN WATER BOND	125	428	1,104	4
ISSUE COSTS OF FMHA BOND	118	428	3,423	5
Total			69,646	
Unamortized premium on debt (251)				
NONE				6
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	289,708	1
Changes during year (explain):		2
Balance end of year	<u>289,708</u>	

BONDS (ACCT. 221)

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

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

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
FMHA BOND	01/23/1995	01/01/2035	5.00%	407,500	1
GENERAL OBLIGATION NOTES	01/01/2005	02/01/2013	3.90%	1,105,000	2
STATE TRUST FUND LOAN	04/20/2004	03/15/2014	3.75%	134,966	3
DNR CLEAN WATER LOAN	07/27/1994	05/11/2014	5.80%	476,223	4
Total for Account 224				2,123,689	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	3,224	2
Charged electric department expense		3
Charged sewer department expense	5,247	4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>8,471</u>	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	8,299	7
PSC Remainder Assessment	172	8
Other (explain):		
NONE		9
Total payments and other debits	<u>8,471</u>	
Balance end of year	<u><u>0</u></u>	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
FMHA BOND	0	20,685	20,685	0	3
DNR CLEAN WATER LOAN	4,985	28,385	28,766	4,604	4
STATE TRUST FUND LOAN	3,457	4,837	4,259	4,035	5
GENERAL OBLIGATION NOTES		43,309	25,264	18,045	6
GENERAL OBLIGATION NOTES 04/01	9,269	9,268	18,537	0	7
Subtotal	17,711	106,484	97,511	26,684	
Notes Payable (231)					
NONE	0			0	8
Subtotal	0	0	0	0	
Total	17,711	106,484	97,511	26,684	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
WATER SPECIAL ASSESSMENTS	146,426	2
SEWER SPECIAL ASSESSMENTS	259,657	3
Total (Acct. 124):	406,083	
Special Funds (125):		
DEPRECIATION FUND	27,000	4
DEBT RETIREMENT FUND	97,000	5
REPLACEMENT FUND	176,000	6
Total (Acct. 125):	300,000	
Notes Receivable (141):		
NONE		7
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	9,026	8
Electric		9
Sewer (Regulated)		10
Other (specify):		
NONE		11
Total (Acct. 142):	9,026	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	14,579	12
Merchandising, jobbing and contract work		13
Other (specify):		
NONE		14
Total (Acct. 143):	14,579	
Receivables from Municipality (145):		
2005 TAX LEVY	80,000	15
2005 PILOT	22,220	16
Total (Acct. 145):	102,220	
Prepayments (165):		
PREPAID INSURANCE	6,582	17
Total (Acct. 165):	6,582	

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	215,633	21
NONREGULATED SEWER LIABILITY	350,025	22
Total (Acct. 253):	565,658	

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)	1,139,927	0	0	0	1,139,927	1
Materials and Supplies	8,627	0	0	0	8,627	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	343,362	0	0	0	343,362	4
Customer Advances for Construction					0	5
Regulatory Liability	221,623	0	0	0	221,623	6
NONE					0	7
Average Net Rate Base	583,569	0	0	0	583,569	
Net Operating Income	(30,805)	0	0	0	(30,805)	8
Net Operating Income as a percent of						
Average Net Rate Base	-5.28%	N/A	N/A	N/A	-5.28%	

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	227,613	0	0	0	227,613	1
Add credits during year:					0	2
Deduct charges:						
Miscellaneous Amortization (425)	11,980	0	0	0	11,980	3
Other (specify):					0	4
Balance End of Year	215,633	0	0	0	215,633	

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.

145 receivables from municipality done
143 other accounts receivable done
145 receivables from municipality done

Signature Page (Page ii)

General footnotes

DAVID TRACZYK
Certified Public Accountant
327 Silver Street
Hurley WI 54534

Board of Commissioners
Mercer Sanitary District # 1
Mercer Wisconsin

I have compiled the accompanying balance sheets, statements of income and retained earnings, and statistical data of the Mercer Sanitary District # 1 for the years ended December 31, 2005 and 2004, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

March 27, 2006

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	134,256	162,364	1
Total Sales of Water	134,256	162,364	
Other Operating Revenues			
Forfeited Discounts (470)	292	352	2
Other Water Revenues (474)	16,727	12,785	3
Total Other Operating Revenues	17,019	13,137	
Total Operating Revenues	151,275	175,501	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	54,018	55,305	4
General Operating Expenses (680-690)	95,822	61,776	5
Total Operation and Maintenance Expenses	149,840	117,081	
Other Operating Expenses			
Depreciation Expense (403)	29,016	28,667	6
Amortization Expense (404)		0	7
Taxes (408)	3,224	4,348	8
Total Other Operating Expenses	32,240	33,015	
Total Operating Expenses	182,080	150,096	
NET OPERATING INCOME	(30,805)	25,405	

WATER OPERATING REVENUES - SALES OF WATER

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

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	267	5,814	57,439	4
Commercial	80	7,082	40,846	5
Industrial	8	2,281	8,852	6
Total Metered Sales to General Customers (461)	355	15,177	107,137	
Private Fire Protection Service (462)	2		1,101	7
Public Fire Protection Service (463)	1		20,643	8
Other Sales to Public Authorities (464)	14	653	5,375	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	372	15,830	134,256	

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)	20,643	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)	20,643	
Forfeited Discounts (470):		
Customer late payment charges	292	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	292	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		7
Other (specify):		
TOWER RENTAL INCOME	14,950	8
STATE AID	176	9
STANDBY FEES	774	10
MISCELLANEOUS	827	11
Total Other Water Revenues (474)	16,727	

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)	18,951	37,045	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	2,527	2,124	3
Chemicals (630)	919	848	4
Supplies and Expenses (640)	17,369	7,174	5
Repairs of Water Plant (650)	10,430	5,312	6
Transportation Expenses (660)	3,822	2,802	7
Total Plant Operation and Maintenance Expenses	54,018	55,305	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	26,648	13,835	8
Office Supplies and Expenses (681)	10,230	7,263	9
Outside Services Employed (682)	13,159	13,493	10
Insurance Expense (684)	36,673	20,635	11
Employees Pensions and Benefits (686)	3,996	4,828	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	5,116	1,722	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	95,822	61,776	
Total Operation and Maintenance Expenses	149,840	117,081	

TAXES (ACCT. 408 - WATER)

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

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)
Property Tax Equivalent		0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		0	2
Net property tax equivalent		0	0
Social Security		3,053	4,090
PSC Remainder Assessment		171	258
Other (specify): NONE			0
Total tax expense		<u>3,224</u>	<u>4,348</u>

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

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	7,737		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	48,628		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	56,365	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	283,216		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	26,416		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	1,052		20
Total Pumping Plant	310,684	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	175,979		22
Water Treatment Equipment (332)	4,664		23
Total Water Treatment Plant	180,643	0	

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

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			7,737	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			48,628	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	56,365	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			283,216	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			26,416	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			1,052	20
Total Pumping Plant	0	0	310,684	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			175,979	22
Water Treatment Equipment (332)			4,664	23
Total Water Treatment Plant	0	0	180,643	

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

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	6,591		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	29,448		26
Transmission and Distribution Mains (343)	451,888		27
Fire Mains (344)	0		28
Services (345)	11,351		29
Meters (346)	30,578		30
Hydrants (348)	18,406		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	548,262	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	13,437		35
Computer Equipment (372.1)	6,420		36
Transportation Equipment (373)	17,263		37
Other General Equipment (379)	6,853		38
Other Tangible Property (390)	0		39
Total General Plant	43,973	0	
Total utility plant in service directly assignable	1,139,927	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,139,927	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)			6,591 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			29,448 26
Transmission and Distribution Mains (343)			451,888 27
Fire Mains (344)			0 28
Services (345)			11,351 29
Meters (346)			30,578 30
Hydrants (348)			18,406 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	548,262
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			13,437 35
Computer Equipment (372.1)			6,420 36
Transportation Equipment (373)			17,263 37
Other General Equipment (379)			6,853 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	43,973
Total utility plant in service directly assignable	0	0	1,139,927
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	1,139,927

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

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

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

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

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

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

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	0		26
Transmission and Distribution Mains (343)	1,034,911	34,693	27
Fire Mains (344)	0		28
Services (345)	26,772	3,639	29
Meters (346)	0		30
Hydrants (348)	44,131	6,978	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,105,814	45,310	
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	1,105,814	45,310	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,105,814	45,310	

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

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			1,069,604 27
Fire Mains (344)			0 28
Services (345)			30,411 29
Meters (346)			0 30
Hydrants (348)			51,109 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	1,151,124
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	1,151,124
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	1,151,124

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Sources of Water Supply					
Month	Purchased Water Gallons (000's)	Surface Water Gallons (000's)	Ground Water Gallons (000's)	Total Gallons All Methods (000's)	
(a)	(b)	(c)	(d)	(e)	
January			2,035	2,035	1
February			1,741	1,741	2
March			1,866	1,866	3
April			1,871	1,871	4
May			2,041	2,041	5
June			2,349	2,349	6
July			2,845	2,845	7
August			2,609	2,609	8
September			2,253	2,253	9
October			1,982	1,982	10
November			2,548	2,548	11
December			2,548	2,548	12
Total annual pumpage	0	0	26,688	26,688	
Less: Water sold				15,830	13
Volume pumped but not sold				10,858	14
Volume sold as a percent of volume pumped				59%	15
Volume used for water production, water quality and system maintenance				3,191	16
Volume related to equipment/system malfunction				780	17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				3,971	19
Volume pumped but unaccounted for				6,887	20
Percent of water lost				26%	21
If more than 25%, indicate causes: testing and flushing new system					22
If more than 25%, state what action has been taken to reduce water loss: completing project					23
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				254	24
Date of maximum: 10/21/2005					25
Cause of maximum: flushing					26
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				19	27
Date of minimum: 1/30/2005					28
Total KWH used for pumping for the year				31,858	29
If water is purchased: Vendor Name:					30
Point of Delivery:					31

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
WELL 1 - 2992 HWY 51 SOUTH	BF973	56	16	432,000	Yes	1
WELL2 - WELL ROAD	BF974	58	16	468,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

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

PUMPING & POWER EQUIPMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	WELL 1	WELL 2		1
Location	2992 HWY 51 SOUTH	WELL ROAD		2
Purpose	P	P		3
Destination	D	D		4
Pump Manufacturer	LAYNE NORTHWEST	LAYNE NORTHWEST		5
Year Installed	1965	1978		6
Type	VERTICAL TURBINE	VERTICAL TURBINE		7
Actual Capacity (gpm)	300	325		8
Pump Motor or Standby Engine Mfr	US ELECTRIC	GENERAL ELECTRIC		10
Year Installed	1965	1976		11
Type	ELECTRIC	ELECTRIC		12
Horsepower	20	20		13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25
				26

RESERVOIRS, STANDPIPES & WATER TREATMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	WATER TOWER		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2 3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		4 5
Year constructed	1978		6
Primary material (earthen, steel, concrete, other)	STEEL		7 8
Elevation difference in feet (See Headnote 3.)	105		9 10
Total capacity in gallons (actual)	150,000		11
WATER TREATMENT PLANT			12
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		13 14
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		15 16 17
Filters, type (gravity, pressure, other, none)	OTHER		18 19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.0000		20 21 22
Is a corrosion control chemical used (yes, no)?	N		23 24
Is water fluoridated (yes, no)?	N		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	6.000	13,822	0	0	0	13,822	1
P	D	6.000	1,590	971	0	0	2,561	2
M	D	8.000	26,312	0	0	0	26,312	3
M	D	10.000	910	0	0	0	910	4
M	D	12.000	15,441	0	0	0	15,441	5
P	D	12.000	2,649	0	0	0	2,649	6
Total Within Municipality			60,724	971	0	0	61,695	
Total Utility			60,724	971	0	0	61,695	

WATER SERVICES

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

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	275	1	0	0	276	57	1
M	1.000	152	2	0	0	154	77	2
M	1.250	1	0	0	0	1	1	3
M	1.500	11	0	0	0	11	4	4
M	2.000	5	0	0	0	5		5
M	6.000	3	0	0	0	3	2	6
M	8.000	1	0	0	0	1		7
M	10.000	1	0	0	0	1		8
Total Utility		449	3	0	0	452	141	

METERS

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

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	366	0	0	0	366	75	1
0.750	30	0	0	0	30	10	2
1.500	8	0	0	0	8	8	3
2.000	5	0	0	0	5	5	4
Total:	409	0	0	0	409	98	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	255	50	3	9	49	0	366	1
0.750	1	20	4	3	0	2	30	2
1.500	0	5	2	1	0	0	8	3
2.000	0	4	0	1	0	0	5	4
Total:	256	79	9	14	49	2	409	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	93	2			95	2
Total Fire Hydrants	93	2	0	0	95	
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:	95
Number of distribution system valves end of year:	179
Number of distribution valves operated during year:	90

WATER OPERATING SECTION FOOTNOTES

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

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

474 other water revenues - tower rental income done

Water Operation & Maintenance Expenses (Page W-05)

General footnotes

administrative and general salaries 680
salaries and wages 600

the utility's maintenance man resigned in early 2005. he was replaced with a part-time person. this resulted in lower costs for plant salaries. it also increased the time of the administrative employee to assist in the changeover and increased the cost of administrative salaries.

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.

supplies and expenses 640

the costs of supplies for the telephone systems and related technology to regulate the pumping system increased dramatically from the prior year.

repairs of water plant 650

the utility had a couple major water main breaks during the year. this increased the cost of repairs.

office supplies and expenses 681

office supplies increased with telephone and computer system upgrades.

insurance expense 684

health insurance costs rose dramatically in 2005. the portion of total costs allocated to the water department (vs sewer) also increased with personnel costs.

miscellaneous general expenses 689

the utility issued refunds of \$3,520 for an overcharge in prior years.

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.

added during year value : 971

the water mains added were financed by the customers through a special assessment.

WATER OPERATING SECTION FOOTNOTES

Water Services (Page W-18)

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

net of added during year and removed or permanently disconnected during year
value:3

the new services were financed by the customer through a special assessment.

Meters (Page W-19)

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

yes
