



3015 (02-02-05)

ANNUAL REPORT

OF

Name: VILLAGE OF MOUNT STERLING MUNICIPAL WATER UTILITY

Principal Office: P.O. BOX 67
MOUNT STERLING, WI 54645

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: VILLAGE OF MOUNT STERLING MUNICIPAL WATER UTILITY

Utility Address: P.O. BOX 67
MOUNT STERLING, WI 54645

When was utility organized? 1/1/1955

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: CAROLYN ASPENSON

Title: CLERK

Office Address:

P.O. BOX 67
MOUNT STERLING, WI 54645

Telephone: (608) 734 - 3108

Fax Number: (608) 734 - 3108

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

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: DOUG HELGERSON

Title: VILLAGE PRESIDENT

Office Address:

P.O. BOX 67
MT STERLING, WI 54645

Telephone: (608) 734 - 3108

Fax Number:

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? NO

IDENTIFICATION AND OWNERSHIP

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

Name:

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

Date of most recent audit report:

Period covered by most recent audit:

Names and titles of utility management including manager or superintendent:

Name: EDWARD DEVENPORT

Title: UTILTIY SUPERVISOR

Office Address:

P.O. BOX 271
MOUNT STERLING, WI 54645

Telephone: (608) 734 - 3108

Fax Number:

E-mail Address:

Name of utility commission/committee: UTILITY COMMISSION

Names of members of utility commission/committee:

- CAROLYN ASPENSON, CLERK
- GARY HARDEN, TRUSTEE
- DOUG HELGERSON, PRESIDENT
- DAVID JONES, TRUSTEE

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)	39,774	39,244	1
Operating Expenses:			
Operation and Maintenance Expense (401)	14,562	13,269	2
Depreciation Expense (403)	7,055	7,048	3
Amortization Expense (404)	0	7,198	4
Taxes (408)	1,651	1,611	5
Total Operating Expenses	23,268	29,126	
Net Operating Income	16,506	10,118	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	16,506	10,118	
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)	846	695	9
Miscellaneous Nonoperating Income (421)	145	1,531	10
Total Other Income	991	2,226	
Total Income	17,497	12,344	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(3,568)	(3,568)	11
Other Income Deductions (426)	7,119	7,119	12
Total Miscellaneous Income Deductions	3,551	3,551	
Income Before Interest Charges	13,946	8,793	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	10,306	10,449	13
Amortization of Debt Discount and Expense (428)	92	92	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	10,398	10,541	
Net Income	3,548	(1,748)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	386,898	460,003	19
Balance Transferred from Income (433)	3,548	(1,748)	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	71,357	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)	390,446	386,898	

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	39,774		39,774	1
Total (Acct. 400):	39,774	0	39,774	
Operation and Maintenance Expense (401):				
Derived	14,562		14,562	2
Total (Acct. 401):	14,562	0	14,562	
Depreciation Expense (403):				
Derived	7,055		7,055	3
Total (Acct. 403):	7,055	0	7,055	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	1,651		1,651	5
Total (Acct. 408):	1,651	0	1,651	
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:	16,506	0	16,506	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST EARNED ON TEMPORARY INVESTMENTS	846	0	846	10
Total (Acct. 419):	846	0	846	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water			0	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):			
MISCELLANEOUS	145	0	145 12
Total (Acct. 421):	145	0	145
TOTAL OTHER INCOME:	991	0	991

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(3,568)	[REDACTED]	(3,568) 13
NONE	0	0	0 14
Total (Acct. 425):	(3,568)	0	(3,568)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	[REDACTED]	7,119	7,119 15
NONE	0	0	0 16
Total (Acct. 426):	0	7,119	7,119
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(3,568)	7,119	3,551

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	10,306	[REDACTED]	10,306 17
Total (Acct. 427):	10,306	0	10,306
Amortization of Debt Discount and Expense (428):			
AMORTIZATION OF DEBT DISCOUNT EXPENSES	92	[REDACTED]	92 18
Total (Acct. 428):	92	0	92
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:	10,398	0	10,398
NET INCOME:	10,667	(7,119)	3,548
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	94,173	292,725	386,898 23
Total (Acct. 216):	94,173	292,725	386,898
Balance Transferred from Income (433):			
Derived	10,667	(7,119)	3,548 24
Total (Acct. 433):	10,667	(7,119)	3,548
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):	104,840	285,606	390,446

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	39,774	0	0	0	39,774	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	39,774	0	0	0	39,774	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	666,658	665,951	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	168,555	154,381	2
Net Utility Plant	498,103	511,570	
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)	28,681	27,582	5
Other Investments (124)	0	0	6
Special Funds (125)	27,863	24,779	7
Total Other Property and Investments	56,544	52,361	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	104,617	99,140	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	5,783	5,239	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	7,405	7,072	14
Materials and Supplies (150)	0	0	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	117,805	111,451	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	2,660	2,751	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	2,660	2,751	
Total Assets and Other Debits	675,112	678,133	

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)	8,304	8,304	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	390,446	386,898	23
Total Proprietary Capital	398,750	395,202	
LONG-TERM DEBT			
Bonds (221)	203,800	206,900	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	203,800	206,900	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)			28
Payables to Municipality (233)	3,977	3,840	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	2,548	2,586	32
Other Current and Accrued Liabilities (238)	76	76	33
Total Current and Accrued Liabilities	6,601	6,502	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	64,221	67,789	36
Total Deferred Credits	64,221	67,789	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)	1,740	1,740	37
Total Operating Reserves	1,740	1,740	
Total Liabilities and Other Credits	675,112	678,133	

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	665,951	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)	289,654	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	377,004	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	666,658	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)	75,841	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	92,714	0	0	0	12
Total Accumulated Provision	168,555	0	0	0	
Net Utility Plant	498,103	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)	68,786				68,786	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	7,055				7,055	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	7,055	0	0	0	7,055	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)	75,841	0	0	0	75,841	26
Composite Depreciation Rate?	Yes					27
If yes, what is the rate?	1.91%					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)	85,595				85,595	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	7,119				7,119	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	7,119	0	0	0	7,119	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)	92,714	0	0	0	92,714	26
Composite Depreciation Rate?	Yes					27
If yes, what is the rate?	1.91%					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		0 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	0	0

**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)				
FMHA Bonds	92	428	2,660	1
Total			<u><u>2,660</u></u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u><u>0</u></u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	8,304	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>8,304</u></u>	

BONDS (ACCT. 221)

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

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
FMHA BONDS	10/05/1994	10/01/2034	5.00%	203,800	1
Total Bonds (Account 221):				203,800	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

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

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	1,651	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>1,651</u>	
Taxes paid during year:		
County, state and local taxes	1,272	6
Social Security taxes	343	7
PSC Remainder Assessment	36	8
Other (explain):		
NONE		9
Total payments and other debits	<u>1,651</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)					
FMHA BONDS	2,586	10,306	10,344	2,548	1
Subtotal	2,586	10,306	10,344	2,548	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	2,586	10,306	10,344	2,548	

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):		
PREVIOUS YEARS - RECEIVABLE FROM MUNICIPALITY	28,681	1
Total (Acct. 123):	28,681	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
DEBT SERVICE AND RESERVE ACCOUNTS	27,863	3
Total (Acct. 125):	27,863	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	5,783	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	5,783	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
DUE FROM GENERAL FUND - DELINQUENT UTILITIES PLACED ON TAX ROLL	2,023	12
DUE FROM GENERAL FUND - OVERPAYMENT OF TAX EQUIVALENT	5,382	13
Total (Acct. 145):	7,405	
Prepayments (165):		
NONE		14
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		15
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Other Deferred Debits (183):		
NONE		16
Total (Acct. 183):	0	
Payables to Municipality (233):		
DUE TO GENERAL - EXPENSES PAID BY MUNICIPALITY ON BEHALF OF THE UTILITY	3,977	17
Total (Acct. 233):	3,977	
Other Deferred Credits (253):		
Regulatory Liability	64,221	18
NONE		19
Total (Acct. 253):	64,221	

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)	289,300	0	0	0	289,300	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	72,313	0	0	0	72,313	4
Customer Advances for Construction					0	5
Regulatory Liability	66,005	0	0	0	66,005	6
NONE					0	7
Average Net Rate Base	150,982	0	0	0	150,982	
Net Operating Income	16,506	0	0	0	16,506	8
Net Operating Income as a percent of						
Average Net Rate Base	10.93%	N/A	N/A	N/A	10.93%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FULL-TIME EMPLOYEES (FTE)

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

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

Industry (a)	FTE (b)	
Water	0.2	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	67,789	0	0	0	67,789	1
Add credits during year:						
NONE					0	2
Deduct charges:						
Miscellaneous Amortization (425)	3,568	0	0	0	3,568	3
Other (specify):						
NONE					0	4
Balance End of Year	64,221	0	0	0	64,221	

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 President and Board of Trustees
Village of Mount Sterling
Mount Sterling, Wisconsin 54645

We have compiled the balance sheets of the Village of Mount Sterling 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 28, 2006

Identification and Ownership - Contacts (Page iv)

If the utility clerk (or other utility/municipal person responsible for municipal utility recordkeeping) is new (or will be new in the next year), please indicate here.

Carolyn Aspenson replaced Lori Foley as the utility clerk.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	39,636	39,062	1
Total Sales of Water	39,636	39,062	
Other Operating Revenues			
Forfeited Discounts (470)	138	182	2
Other Water Revenues (474)	0	0	3
Total Other Operating Revenues	138	182	
Total Operating Revenues	39,774	39,244	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	8,800	6,272	4
General Operating Expenses (680-690)	5,762	6,997	5
Total Operation and Maintenance Expenses	14,562	13,269	
Other Operating Expenses			
Depreciation Expense (403)	7,055	7,048	6
Amortization Expense (404)		7,198	7
Taxes (408)	1,651	1,611	8
Total Other Operating Expenses	8,706	15,857	
Total Operating Expenses	23,268	29,126	
NET OPERATING INCOME	16,506	10,118	

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	1	11	39	2
Industrial				3
Total Unmetered Sales to General Customers (460)	1	11	39	
Metered Sales to General Customers (461)				
Residential	80	3,017	16,815	4
Commercial	9	692	2,955	5
Industrial	1	477	1,158	6
Total Metered Sales to General Customers (461)	90	4,186	20,928	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		18,581	8
Other Sales to Public Authorities (464)	1	2	88	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
 Total Sales of Water	 93	 4,199	 39,636	

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)	18,581	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)	18,581	
Forfeited Discounts (470):		
Customer late payment charges	138	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	138	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		7
Other (specify): NONE		8
Total Other Water Revenues (474)	0	

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)	2,748	1,980	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	3,964	3,252	3
Chemicals (630)		0	4
Supplies and Expenses (640)	1,722	367	5
Repairs of Water Plant (650)	366	673	6
Transportation Expenses (660)		0	7
Total Plant Operation and Maintenance Expenses	8,800	6,272	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	1,800	1,650	8
Office Supplies and Expenses (681)	1,374	1,174	9
Outside Services Employed (682)	685	1,585	10
Insurance Expense (684)	1,811	2,588	11
Employees Pensions and Benefits (686)		0	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	92	0	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	5,762	6,997	
Total Operation and Maintenance Expenses	14,562	13,269	

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		1,272	1,300	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			0	2
Net property tax equivalent		1,272	1,300	
Social Security		343	277	3
PSC Remainder Assessment		36	34	4
Other (specify): NONE			0	5
Total tax expense		1,651	1,611	

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			Crawford				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.249560				3
County tax rate	mills		9.163530				4
Local tax rate	mills		3.590020				5
School tax rate	mills		15.966580				6
Voc. school tax rate	mills		2.376130				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		31.345820				10
Less: state credit	mills		1.723410				11
Net tax rate	mills		29.622410				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		3.590020				14
Combined School Tax Rate	mills		18.342710				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		21.932730				17
Total Tax Rate	mills		31.345820				18
Ratio of Local and School Tax to Total	dec.		0.699702				19
Total tax net of state credit	mills		29.622410				20
Net Local and School Tax Rate	mills		20.726857				21
Utility Plant, Jan. 1	\$	665,951	665,951				22
Materials & Supplies	\$	0	0				23
Subtotal	\$	665,951	665,951				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	665,951	665,951				26
Assessment Ratio	dec.		0.000000				27
Assessed Value	\$	0	0				28
Net Local & School Rate	mills		20.726857				29
Tax Equiv. Computed for Current Year	\$	0	0				30
Tax Equivalent per 1994 PSC Report	\$	1,326					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$	1,272					32 33
Tax equiv. for current year (see note 6)	\$	1,272					34

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	200		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	200	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	200		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)	6,187		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	6,387	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	20,866		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	11,373		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	32,239	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)			200	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	200	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			200	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)			6,187	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	6,387	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			20,866	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			11,373	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	32,239	
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)	675		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	47,310		26
Transmission and Distribution Mains (343)	181,062		27
Fire Mains (344)	0		28
Services (345)	9,438	445	29
Meters (346)	4,130	262	30
Hydrants (348)	6,123		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	248,738	707	
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)	1,383		38
Other Tangible Property (390)	0		39
Total General Plant	1,383	0	
Total utility plant in service directly assignable	288,947	707	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	288,947	707	

**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)			675 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			47,310 26
Transmission and Distribution Mains (343)			181,062 27
Fire Mains (344)			0 28
Services (345)			9,883 29
Meters (346)			4,392 30
Hydrants (348)			6,123 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	249,445
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)			1,383 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	1,383
Total utility plant in service directly assignable	0	0	289,654
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	289,654

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)	10,805		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	61,102		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	71,907	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)			10,805 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			61,102 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	71,907
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)	4,304		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	98,060		26
Transmission and Distribution Mains (343)	149,633		27
Fire Mains (344)	0		28
Services (345)	21,243		29
Meters (346)	1,100		30
Hydrants (348)	30,757		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	305,097	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	377,004	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	377,004	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)			4,304 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			98,060 26
Transmission and Distribution Mains (343)			149,633 27
Fire Mains (344)			0 28
Services (345)			21,243 29
Meters (346)			1,100 30
Hydrants (348)			30,757 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	305,097
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	377,004
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	377,004

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			457	457	1
February			441	441	2
March			490	490	3
April			486	486	4
May			530	530	5
June			541	541	6
July			567	567	7
August			562	562	8
September			510	510	9
October			532	532	10
November			485	485	11
December			505	505	12
Total annual pumpage	0	0	6,106	6,106	
Less: Water sold				4,199	13
Volume pumped but not sold				1,907	14
Volume sold as a percent of volume pumped				69%	15
Volume used for water production, water quality and system maintenance				570	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				570	19
Volume pumped but unaccounted for				1,337	20
Percent of water lost				22%	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.)				25	24
Date of maximum: 7/17/2005					25
Cause of maximum:					26
Flushing hydrants					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				11	27
Date of minimum: 2/12/2005					28
Total KWH used for pumping for the year				26,435	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)	
PUMP HOUSE IN MT. STERLING	1	480	10	15,000	Yes	1

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		1
Location	5TH STREET		2
Purpose	P		3
Destination	D		4
Pump Manufacturer	SIMMONS		5
Year Installed	1994		6
Type	SUBMERSIBLE		7
Actual Capacity (gpm)	220		8
Pump Motor or Standby Engine Mfr	FRANKLIN		10
Year Installed	1994		11
Type	ELECTRIC		12
Horsepower	40		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	1		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	S		3
Year constructed	1994		4
Primary material (earthen, steel, concrete, other)	STEEL		5
Elevation difference in feet (See Headnote 3.)	128		6
Total capacity in gallons (actual)	117,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)			9
Points of application (wellhouse, central facilities, booster station, other)			10
Filters, type (gravity, pressure, other, none)			11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)			12
Is a corrosion control chemical used (yes, no)?			13
Is water fluoridated (yes, no)?			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	4.000	2,697	0	0	0	2,697	1
M	D	6.000	1,860	0	0	0	1,860	2
P	D	6.000	3,260	0	0	0	3,260	3
P	D	8.000	6,350	0	0	0	6,350	4
Total Within Municipality			14,167	0	0	0	14,167	
Total Utility			14,167	0	0	0	14,167	

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	60	0	0	0	60		1
M	1.000	40	1	0	0	41		2
Total Utility		100	1	0	0	101	0	

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	102	0	0	0	102	11	1
1.000	5	2	0	0	7	2	2
Total:	107	2	0	0	109	13	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	79	5	1	1	0	16	102	1
1.000	0	4	0	0	0	3	7	2
Total:	79	9	1	1	0	19	109	

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	22				22	2
Total Fire Hydrants	22	0	0	0	22	
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:	22
Number of distribution system valves end of year:	55
Number of distribution valves operated during year:	30

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

If Fuel or Power Purchased for Pumping (620), divided by the Total kWh Used for Pumping on the Source of Supply, Pumping and Purchased Water Statistics schedule, is less than 3 cents or greater than 12 cents, please explain.

The expense reported on line 620 included costs to heat the Well House. These costs were comparable with prior years.

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

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

The Village has adopted an alternative method of calculating the tax equivalent, which is based on 3.19% of revenue. The method was included in the 1994 rate case in September 7, 1994 letter from the Village President to PSCW. The Village Board approved the method on July 26, 1994.

Water Services (Page W-18)

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

Additions were financed by the Utility.

If Utility-Owned Service Not In Use at End of Year is reported as zero, please explain.

No change from prior year.

Meters (Page W-19)

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

The Village continues it's program of reviewing the need for meter replacement.

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.
