

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION	MI0029
	PERIOD ENDED	12/2004
FINANCIAL AND STATISTICAL REPORT	BORROWER NAME AND ADDRESS	
	ONTONAGON COUNTY R E ASSN 500 J K Paul Avenue P O Box 97 Ontonagon, MI 49953-0097	
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.		
This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.		

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

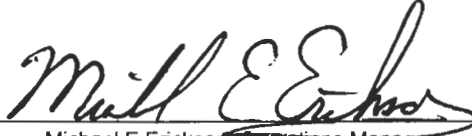
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.


Michael E Erickson, Operations Manager

03/24/2005
DATE


Thomas A Haarala, General Manager

03/24/2005
DATE

FINANCIAL AND STATISTICAL REPORT

MI0029

PERIOD ENDED

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part A. Statement of Operations

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)	Year-to-date Budget (c)	This Month (d)
1. Operating Revenue and Patronage Capital	3,504,352	3,756,675	3,699,155	378,689
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,640,937	1,742,818	1,757,992	200,311
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	114,693	112,464	93,700	4,452
6. Distribution Expense - Maintenance	280,780	278,009	265,000	14,788
7. Customer Accounts Expense	124,542	127,456	124,000	11,676
8. Customer Service and Informational Expense	13,011	12,846	13,200	1,114
9. Sales Expense	767	431	300	431
10. Administrative and General Expense	404,500	429,298	415,000	39,322
11. Total Operation & Maintenance Expense (2 thru 10)	2,579,230	2,703,322	2,679,192	272,094
12. Depreciation and Amortization Expense	392,647	402,836	404,400	34,442
13. Tax Expense - Property & Gross Receipts	116,315	130,243	126,000	10,758
14. Tax Expense - Other	35,334	33,137	33,500	2,966
15. Interest on Long-Term Debt	329,514	335,764	354,000	28,096
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	21,955	44,475	22,800	6,427
18. Other Deductions	1,200	600	700	100
19. Total Cost of Electric Service (11 thru 18)	3,476,195	3,650,377	3,620,592	354,883
20. Patronage Capital & Operating Margins (11 minus 19)	28,157	106,298	78,563	23,806
21. Non Operating Margins - Interest	26,163	36,702	21,600	6,907
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	753	2,080	0	0
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	6,696	6,506	3,400	2,380
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	61,769	151,586	103,563	33,093

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)
1. New Services Connected	94	80
2. Services Retired	20	20
3. Total Services in Place	4,929	4,999
4. Idle Services (Exclude Seasonal)	238	245
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	832.09	830.69
7. Miles Distribution - Underground	72.97	79.59
8. Total Miles Energized (5 + 6 + 7)	905.06	910.28

FINANCIAL AND STATISTICAL REPORT

MI0029

PERIOD ENDED

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part C. Balance Sheet

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,450,018	29. Memberships	19,030
2. Construction Work in Progress	86,526	30. Patronage Capital	1,743,848
3. Total Utility Plant (1 + 2)	14,536,544	31. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	3,822,829	32. Operating Margins - Current Year	112,804
5. Net Utility Plant (3 - 4)	10,713,715	33. Non-Operating Margins	38,782
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	29,022
7. Investments in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34)	1,943,486
8. Invest. in Assoc. Org. - Patronage Capital	31,457	36. Long-Term Debt - RUS (Net)	6,857,245
9. Invest. in Assoc. Org. - Other - General Funds	198,253	(Payments - Unapplied)	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	60,546	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	0	38. Long-Term Debt - FFB - RUS Guaranteed	0
12. Other Investments	0	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	603,247
14. Total Other Property & Investments (6 thru 13)	290,256	41. Total Long-Term Debt (36 thru 40)	7,460,492
15. Cash - General Funds	180,286	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	0
17. Special Deposits	0	44. Total Other Noncurrent Liabilities (42 + 43)	0
18. Temporary Investments	0	45. Notes Payable	1,800,000
19. Notes Receivable (Net)	0	46. Accounts Payable	239,854
20. Accounts Receivable - Sales of Energy (Net)	633,741	47. Consumers Deposits	6,625
21. Accounts Receivable - Other (Net)	10,750	48. Current Maturities Long-Term Debt	256,812
22. Materials and Supplies - Electric & Other	139,652	49. Current Maturities Long-Term Debt - Economic Development	0
23. Prepayments	41,751	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	0	51. Other Current and Accrued Liabilities	278,643
25. Total Current and Accrued Assets (15 thru 24)	1,003,180	52. Total Current & Accrued Liabilities (45 thru 51)	2,581,934
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	23,420	54. Other Deferred Credits	47,659
28. Total Assets and Other Debits (5+14+25 thru 27)	12,033,571	55. Total Liabilities and Other Credits (35+ 41 + 44 + 52 thru 54)	12,033,571

FINANCIAL AND STATISTICAL REPORT

MI0029

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part E. Changes in Utility Plant

PLANT ITEM	Balance Beginning of Year	Additions	Retirements	Adjustments and Transfers	Balance End of Year
Distribution Plant	12,413,396	985,992	266,204	0	13,133,184
General Plant	1,027,994	96,859	45,919	0	1,078,934
Headquarters Plant	223,071	23,639	10,159	0	236,551
Intangibles	1,349	0	0	0	1,349
Transmission Plant	0	0	0	0	0
All Other Utility Plant	0	0	0	0	0
Total Utility Plant in Service (1 thru 6)	13,665,810	1,106,490	322,282	0	14,450,018
Construction Work in Progress	171,764	(85,238)			86,526
TOTAL UTILITY PLANT (7 + 8)	13,837,574	1,021,252	322,282	0	14,536,544

Part F. Materials and Supplies

ITEM	Balance Beginning of Year (a)	Purchased (b)	Salvaged (c)	Used (Net) (d)	Sold (e)	Adjustment (f)	Balance End of Year (g)
1. Electric	152,573	196,110	2,790	197,462	3,064	(16,243)	134,704
2. Other	4,944	2,488	0	0	2,054	(431)	4,947

Part G. Service Interruptions

ITEM	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	TOTAL (e)
	Power Supplier (a)	Extreme Storm (b)	Prearranged (c)	All Other (d)	
1. Present Year	4.15	1.18	0.09	2.52	7.94
2. Five-Year Average	3.18	2.66	0.05	1.66	7.55

Part H. Employee-Hour and Payroll Statistics

	Amount
1. Number of Full Time Employees	13
2. Employee - Hours Worked - Regular Time	28,719
3. Employee - Hours Worked - Overtime	1,501
4. Payroll - Expensed	320,844
5. Payroll - Capitalized	306,588
6. Payroll - Other	138,163

FINANCIAL AND STATISTICAL REPORT

MI0029

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part I. Patronage Capital

ITEM	DESCRIPTION	This Year (a)	Cumulative (b)
1. Capital Credits Distributions	a. General Retirements	0	0
	b. Special Retirements	0	0
	c. Total Retirements (a + b)	0	0
2. Capital Credits Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	0	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	433	
	c. Total Cash Received (a + b)	433	

Part J. Due from Consumers for Electric Service

	Amount
1. AMOUNT DUE OVER 60 DAYS	30,000
2. AMOUNT WRITTEN OFF DURING YEAR	20,500

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part K. kWh Purchased and Total Cost

Line No.	ITEM (a)	RUS Use Only Supplier Code (b)	kWh Purchased (c)	Total Cost (d)	Average Cost (Cents/kWh) (e)	Included in Total Cost Fuel Cost Adjustment (f)	Included in Total Cost Wheeling and Other Charges (or credits) (g)
1	Upper Peninsula Power Company	19578	25,705,286	1,565,183	6.09	0	0
2	Wisconsin Electric Power Co	20847	3,944,087	177,636	4.50	0	0
3		0	0	0	0.00	0	0
4		0	0	0	0.00	0	0
5		0	0	0	0.00	0	0
6		0	0	0	0.00	0	0
7		0	0	0	0.00	0	0
8		0	0	0	0.00	0	0
9		0	0	0	0.00	0	0
10		0	0	0	0.00	0	0
11		0	0	0	0.00	0	0
12		0	0	0	0.00	0	0
13		0	0	0	0.00	0	0
14		0	0	0	0.00	0	0
15		0	0	0	0.00	0	0
16		0	0	0	0.00	0	0
17		0	0	0	0.00	0	0
18		0	0	0	0.00	0	0
19		0	0	0	0.00	0	0
20		0	0	0	0.00	0	0
	Total		29,649,373	1,742,819	5.88	0	0

FINANCIAL AND STATISTICAL REPORT

MI0029

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part M. Annual Meeting and Board Data

1. Date of Last Annual Meeting 06/19/2004	2. Total Number of Members 4,100	3. Number of Members Present at Meeting 37	4. Was Quorum Present (Y/N) ? N
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members 23,363	8. Does Manager Have Written Contract (Y/N) ? N

FINANCIAL AND STATISTICAL REPORT

MI0029

PERIOD ENDED

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part N. Long-Term Debt and Debt Service Requirements

ITEM	Balance	Billed This	Billed This	Billed This
	End of Year	Year	Year	Year
	(a)	Interest (b)	Principal (c)	Total (d)
Rural Utilities Service (Excludes RUS - Economic Development Loans)	7,114,057	315,450	247,411	562,861.00
National Rural Utilities Cooperative Finance Corporation	337,162	20,314	7,660	27,974.00
Bank for Cooperatives	0	0	0	0.00
Federal Financing Bank	0	0	0	0.00
RUS - Economic Development Loans	0	0	0	0.00
Other (List Separately)	0	0	0	0.00
FASB-106	266,085	0	41,001	41,001.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
TOTAL	7,717,304	335,764	296,072	631,836.00

FINANCIAL AND STATISTICAL REPORT

MI0029

PERIOD ENDED

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

Part O. Power Requirements Data Base - Annual Summary

CLASSIFICATION	Consumer Sales & Revenue Data	December	Average No. Consumers Served	Total Year to Date
		(a)	(b)	(c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	3,064	3,040	
	b. kWh Sold			19,453,877
	c. Revenue			2,600,038
2. Residential Sales - Seasonal	a. No. Consumers Served	1,280	1,268	
	b. kWh Sold			1,729,623
	c. Revenue			337,652
3. Irrigation Sales	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	190	189	
	b. kWh Sold			6,154,057
	c. Revenue			755,844
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
6. Public Street & Highway Lighting	a. No. Consumers Served	123	121	
	b. kWh Sold			6,404
	c. Revenue			10,800
7. Other Sales to Public Authorities	a. No. Consumers Served	25	25	
	b. kWh Sold			92,535
	c. Revenue			13,422
8. Sales for Resales - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10. TOTAL No. of Consumers (lines 1a thru 9a)		4,682	4,643	
11. TOTAL kWh Sold (lines 1b thru 9b)				27,436,496
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				3,717,726
13. Other Electric Revenue				38,949
14. kWh - Own Use				0
15. TOTAL kWh Purchased				29,649,373
16. TOTAL kWh Generated				0
17. Cost of Purchases and Generation and Transmission Expense				1,742,818
18. Interchange - kWh - Net				0
19. System Peak - Sum Annual Peak kW Input from all Sources (Metered)				6,532

Non-coincident Coincident

FINANCIAL AND STATISTICAL REPORT

MI0029

PERIOD ENDED

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

7a - Part I. Investments

Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS					
1	Federated Rural Electric Insurance Exch	10,814	0	0	
2	National Information Solutions Cooperative	20,415	0	0	
3	Michigan Electric Cooperative Assn	5,080	0	0	
4	Various (Common Stock)	423	0	0	
5	NRUCFC(Paf Cap, Memb Cert & CTC's)	1,334	60,545	0	
6	RESCO	97	0	0	
7	Settlers Cooperative Inc	285	0	0	
8	American Transmission Company	181,262	0	0	
Total: 2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS		229,710	60,545	0	
6. CASH - GENERAL					
9	Checking, Savings & Working Funds	180,286	180,286		
Total: 6. CASH - GENERAL		180,286	180,286		
9. ACCOUNTS & NOTES RECEIVABLE - NET					
10	Various	0	10,750	0	
Total: 9. ACCOUNTS & NOTES RECEIVABLE - NET		0	10,750	0	
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					

.FINANCIAL AND STATISTICAL REPORT

MI0029

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59					
60					

11. TOTAL INVESTMENTS	409,996	251,581	0	
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FINANCIAL AND STATISTICAL REPORT

MI0029

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

7a - Part II. Loan Guarantees/Part III. Ratio

Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1			0	0	
2			0	0	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
TOTALS			0	0	
TOTAL (included Loan Guarantees only)			0	0	

Ratio of Investments and Loan Guarantees to Utility Plant [Total of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)]

2.8 %

FINANCIAL AND STATISTICAL REPORT

MI0029

PERIOD ENDED

12/2004

INSTRUCTIONS-See RUS Bulletin 1717B-2

7a - Part IV. Loans

Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1	Employees, Officers, Directors		0	0	
2	Energy Resource Conservation Loans		0	0	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
11			0	0	
12			0	0	
13			0	0	
14			0	0	
15			0	0	
TOTALS			0	0	