



3015 (02-02-05)

ANNUAL REPORT

OF

Name: GRESHAM MUNICIPAL WATER AND SEWER UTILITY

Principal Office: P.O. BOX 50
GRESHAM, WI 54128

For the Year Ended: DECEMBER 31, 2006

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

SIGNATURE PAGE

I GRACE SCHWEFEL of
(Person responsible for accounts)

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

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

(Signature of person responsible for accounts) 05/30/2007
(Date)

UTILITY CLERK
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: GRESHAM MUNICIPAL WATER AND SEWER UTILITY

Utility Address: P.O. BOX 50
GRESHAM, WI 54128

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: GRACE SCHWEFEL
Title: FINANCIAL MANAGER

Office Address:
P.O. BOX 50
GRESHAM, WI 54128

Telephone: (715) 787 - 3244

Fax Number: (715) 787 - 1313

E-mail Address: gresham@villageofgresham.us

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

Name: KAREN KERBER
Title: CPA

Office Address: KERBER, ROSE & ASSOCIATES, S.C.
115 E FIFTH STREET
SHAWANO, WI 54166

Telephone: (715) 526 - 9400 EXT 302

Fax Number: (715) 524 - 2599

E-mail Address: kkerber@kerberrose.com

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

Name: RICK GIESE
Title: CHAIRMAN

Office Address:
P.O. BOX 50
GRESHAM, WI 54128

Telephone: (715) 787 - 3244

Fax Number: (715) 787 - 1313

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: KAREN KERBER

Title: CPA

Office Address: KERBER, ROSE & ASSOCIATES, S.C.
115 E FIFTH STREET
SHAWANO, WI 54166

Telephone: (715) 526 - 9400 EXT 302

Fax Number: (715) 524 - 2599

E-mail Address: kkerber@kerberrose.com

Date of most recent audit report:

Period covered by most recent audit: DECEMBER 31, 2006

Names and titles of utility management including manager or superintendent:

Name: BRUCE CHRIST

Title: OPERATIONS MANAGER

Office Address:

P.O. BOX 50
GRESHAM, WI 54128

Telephone: (715) 787 - 3244

Fax Number: (715) 787 - 1313

E-mail Address: gresham@villageofgresham.us

Name of utility commission/committee: UTILITY COMMITTEE

Names of members of utility commission/committee:

DAN BOUCHER

DAN EBERT

RICK GIESE, CHAIRMAN

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: 1/1/1955

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)	186,362	190,186	1
Operating Expenses:			
Operation and Maintenance Expense (401)	164,316	153,974	2
Depreciation Expense (403)	25,399	20,211	3
Amortization Expense (404)	0	0	4
Taxes (408)	18,459	14,234	5
Total Operating Expenses	208,174	188,419	
Net Operating Income	(21,812)	1,767	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(21,812)	1,767	
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)	18,151	1,019	9
Miscellaneous Nonoperating Income (421)	683,065	9,627	10
Total Other Income	701,216	10,646	
Total Income	679,404	12,413	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(14,531)	(14,531)	11
Other Income Deductions (426)	36,876	25,279	12
Total Miscellaneous Income Deductions	22,345	10,748	
Income Before Interest Charges	657,059	1,665	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	19,481	20,830	13
Amortization of Debt Discount and Expense (428)	0	0	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	21,463	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	40,944	20,830	
Net Income	616,115	(19,165)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	838,913	857,858	19
Balance Transferred from Income (433)	616,115	(19,165)	20
Miscellaneous Credits to Surplus (434)	0	220	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)	1,455,028	838,913	

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	186,362		186,362	1
Total (Acct. 400):	186,362	0	186,362	
Operation and Maintenance Expense (401):				
Derived	164,316		164,316	2
Total (Acct. 401):	164,316	0	164,316	
Depreciation Expense (403):				
Derived	25,399		25,399	3
Total (Acct. 403):	25,399	0	25,399	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	18,459		18,459	5
Total (Acct. 408):	18,459	0	18,459	
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:	(21,812)	0	(21,812)	
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 INCOME	18,151	0	18,151	10
Total (Acct. 419):	18,151	0	18,151	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water		335,500	335,500	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):			
Contributed Plant - Sewer	[REDACTED]	335,500	335,500 12
PROPERTY TAX EQUIVALENT FORGIVEN	12,065	0	12,065 13
Total (Acct. 421):	12,065	671,000	683,065
TOTAL OTHER INCOME:	30,216	671,000	701,216

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(14,531)	[REDACTED]	(14,531) 14
NONE	0	0	0 15
Total (Acct. 425):	(14,531)	0	(14,531)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	[REDACTED]	22,121	22,121 16
Depreciation Expense on Contributed Plant - Sewer	[REDACTED]	14,755	14,755 17
NONE	0	0	0 18
Total (Acct. 426):	0	36,876	36,876
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(14,531)	36,876	22,345

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	19,481	[REDACTED]	19,481 19
Total (Acct. 427):	19,481	0	19,481
Amortization of Debt Discount and Expense (428):			
NONE	0	[REDACTED]	0 20
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0	[REDACTED]	0 21
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0	[REDACTED]	0 22
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	21,463	[REDACTED]	21,463 23
Total (Acct. 431):	21,463	0	21,463

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:	40,944	0	40,944
NET INCOME:	(18,009)	634,124	616,115
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	19,399	819,514	838,913 25
Total (Acct. 216):	19,399	819,514	838,913
Balance Transferred from Income (433):			
Derived	(18,009)	634,124	616,115 26
Total (Acct. 433):	(18,009)	634,124	616,115
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 29
Total (Acct. 436)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	1,390	1,453,638	1,455,028

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

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	106,130	0	80,232	0	186,362	1
Less: interdepartmental sales	2,393		1,075	0	3,468	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	491				491	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	91		72		163	5
Other Increases or (Decreases) to Operating Revenues - Specify: NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	103,155	0	79,085	0	182,240	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,795,945	2,212,762	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	691,971	629,696	2
Net Utility Plant	2,103,974	1,583,066	
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)	0	0	5
Other Investments (124)	15,893	13,725	6
Special Funds (125)	235,103	0	7
Total Other Property and Investments	250,996	13,725	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	18,319	42,213	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	19,747	21,655	11
Other Accounts Receivable (143)	599,107	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0	25,532	14
Materials and Supplies (150)	6,241	6,041	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	643,414	95,441	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	2,998,384	1,692,232	

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)	4,526	4,526	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	1,455,028	838,913	23
Total Proprietary Capital	1,459,554	843,439	
LONG-TERM DEBT			
Bonds (221)	304,522	307,920	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	178,500	166,250	26
Total Long-Term Debt	483,022	474,170	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	700,000	0	27
Accounts Payable (232)	4,363	4,770	28
Payables to Municipality (233)	86,605	98,806	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	13,133	7,563	32
Other Current and Accrued Liabilities (238)	4,679	1,925	33
Total Current and Accrued Liabilities	808,780	113,064	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	247,028	261,559	36
Total Deferred Credits	247,028	261,559	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	2,998,384	1,692,232	

NET UTILITY PLANT

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

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	1,239,495	973,267	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)	527,489	415,494	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	976,667	853,884	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)		22,411			7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	1,504,156	1,291,789	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)	83,307	210,435	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	99,668	298,561	0	0	12
Total Accumulated Provision	182,975	508,996	0	0	
Net Utility Plant	1,321,181	782,793	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)	Sewer (c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	68,750	199,593			268,343	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	13,838	11,561			25,399	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	719	(719)			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	14,557	10,842	0	0	25,399	16
Debits during year						17
Book cost of plant retired	0	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)	83,307	210,435	0	0	293,742	26
Composite Depreciation Rate?	No	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)	Sewer (c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	77,547	283,806			361,353	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	22,121	14,755			36,876	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	22,121	14,755	0	0	36,876	16
Debits during year						17
Book cost of plant retired	0	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)	99,668	298,561	0	0	398,229	26
Composite Depreciation Rate?	No	No				27
If yes, what is the rate?						28

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

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

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

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

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

MATERIALS AND SUPPLIES

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

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0
Water utility	5,887	5,687
Sewer utility	354	354
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	6,241	6,041

**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)				
NONE				1
Total			<u>0</u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	4,526	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>4,526</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)	
MORTGAGE REVENUE BOND	08/21/2003	08/01/2043	4.25%	304,522	1
Total Bonds (Account 221):				304,522	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
WATER AND SEWER LOAN	09/20/2004	09/20/2014	4.44%	157,500	1
BOND ANTICIPATION NOTE	04/25/2006	04/25/2007	4.47%	21,000	2
Total for Account 224				178,500	
Notes Payable (231)					
SHORT TERM BORROWING	04/25/2006	04/25/2007	4.47%	700,000	3
Total for Account 231				700,000	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	15,496	2
Charged electric department expense	2,963	3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	18,459	
Taxes paid during year:		
County, state and local taxes	12,065	6
Social Security taxes	6,210	7
PSC Remainder Assessment	184	8
Other (explain):		
NONE		9
Total payments and other debits	18,459	
Balance end of year	0	

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)					
USDA MORTGAGE REVENUE BOND	5,489	12,956	13,052	5,393	1
Subtotal	5,489	12,956	13,052	5,393	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
WATER AND SEWER LOAN	2,074	6,525	6,634	1,965	3
Subtotal	2,074	6,525	6,634	1,965	
Notes Payable (231)					
ST BORROWING & BOND ANTICIPATION NOTE	0	21,463	15,688	5,775	4
Subtotal	0	21,463	15,688	5,775	
Total	7,563	40,944	35,374	13,133	

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):		
REDEMPTION ACCOUNT	15,893	2
Total (Acct. 124):	15,893	
Special Funds (125):		
LAKE DRIVE EXTENSION FUND	162,899	3
SPECIAL ASSESSMENTS MONEY MARKET ACCOUNT	72,204	4
Total (Acct. 125):	235,103	
Notes Receivable (141):		
NONE		5
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	9,659	6
Electric		7
Sewer (Regulated)	10,088	8
Other (specify):		
NONE		9
Total (Acct. 142):	19,747	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		10
Merchandising, jobbing and contract work		11
Other (specify):		
SPECIAL ASSESSMENTS RECEIVABLE	599,107	12
Total (Acct. 143):	599,107	
Receivables from Municipality (145):		
NONE	0	13
Total (Acct. 145):	0	
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 FUND	5,614	17
DUE TO ELECTRIC UTILITY	80,991	18
Total (Acct. 233):	86,605	
Other Deferred Credits (253):		
Regulatory Liability	247,028	19
NONE		20
Total (Acct. 253):	247,028	

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)	571,397	0	415,494	0	986,891	1
Materials and Supplies	5,787	0	354	0	6,141	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	76,028	0	205,014	0	281,042	4
Customer Advances for Construction					0	5
Regulatory Liability	39,550	0	214,743	0	254,293	6
NONE					0	7
Average Net Rate Base	461,606	0	(3,909)	0	457,697	
Net Operating Income	1,293	0	(23,105)	0	(21,812)	8
Net Operating Income as a percent of						
Average Net Rate Base	0.28%	N/A	N/A	N/A	-4.77%	

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	0	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	40,680	0	220,879	0	261,559	1
Add credits during year:						
NONE					0	2
Deduct charges:						
Miscellaneous Amortization (425)	2,260	0	12,271	0	14,531	3
Other (specify):						
NONE					0	4
Balance End of Year	38,420	0	208,608	0	247,028	

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.

Account 143 - Reflects special assessments to property owners for the extension to the Lower Red Lake Area.

Account 233 - Reflects the amount owed to the Electric Utility and General Fund for various operating expenses.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	102,942	106,113	1
Total Sales of Water	102,942	106,113	
Other Operating Revenues			
Forfeited Discounts (470)	791	757	2
Other Water Revenues (474)	2,397	1,869	3
Total Other Operating Revenues	3,188	2,626	
Total Operating Revenues	106,130	108,739	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	41,201	38,259	4
General Operating Expenses (680-690)	34,302	39,612	5
Total Operation and Maintenance Expenses	75,503	77,871	
Other Operating Expenses			
Depreciation Expense (403)	13,838	10,621	6
Amortization Expense (404)		0	7
Taxes (408)	15,496	12,120	8
Total Other Operating Expenses	29,334	22,741	
Total Operating Expenses	104,837	100,612	
NET OPERATING INCOME	1,293	8,127	

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	217	8,600	57,579	4
Commercial	27	1,805	13,655	5
Industrial	1	38	516	6
Total Metered Sales to General Customers (461)	245	10,443	71,750	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		25,865	8
Other Sales to Public Authorities (464)	2	760	2,934	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)	7	87	2,393	12
Total Sales of Water	255	11,290	102,942	

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)	25,865	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)	25,865	
Forfeited Discounts (470):		
Customer late payment charges	791	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	791	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	491	7
Other (specify):		
MISCELLANEOUS	1,906	8
Total Other Water Revenues (474)	2,397	

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)	31,359	28,398	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	5,183	6,582	3
Chemicals (630)	802	734	4
Supplies and Expenses (640)	3,841	2,465	5
Repairs of Water Plant (650)		0	6
Transportation Expenses (660)	16	80	7
Total Plant Operation and Maintenance Expenses	41,201	38,259	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	9,047	12,927	8
Office Supplies and Expenses (681)	1,454	1,389	9
Outside Services Employed (682)	1,800	7,895	10
Insurance Expense (684)	3,588	3,727	11
Employees Pensions and Benefits (686)	18,144	11,858	12
Regulatory Commission Expenses (688)		73	13
Miscellaneous General Expenses (689)	178	1,743	14
Uncollectible Accounts (690)	91	0	15
Total General Operating Expenses	34,302	39,612	
Total Operation and Maintenance Expenses	75,503	77,871	

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	CALCULATED	12,065	9,627	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department	CALCULATED	116	90	2
Net property tax equivalent		11,949	9,537	
Social Security	BASED ON PAYROLL	3,455	2,510	3
PSC Remainder Assessment	INVOICE RECEIVED FROM PSC	92	73	4
Other (specify): NONE			0	5
Total tax expense		15,496	12,120	

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			Shawano				1
SUMMARY OF TAX RATES							
State tax rate	mills		0.179467				3
County tax rate	mills		4.893260				4
Local tax rate	mills		1.603523				5
School tax rate	mills		7.451543				6
Voc. school tax rate	mills		1.498963				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		15.626756				10
Less: state credit	mills		1.184787				11
Net tax rate	mills		14.441969				12
PROPERTY TAX EQUIVALENT CALCULATION							
Local Tax Rate	mills		1.603523				14
Combined School Tax Rate	mills		8.950506				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		10.554029				17
Total Tax Rate	mills		15.626756				18
Ratio of Local and School Tax to Total	dec.		0.675382				19
Total tax net of state credit	mills		14.441969				20
Net Local and School Tax Rate	mills		9.753845				21
Utility Plant, Jan. 1	\$	1,239,495	1,239,495				22
Materials & Supplies	\$	5,687	5,687				23
Subtotal	\$	1,245,182	1,245,182				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	1,245,182	1,245,182				26
Assessment Ratio	dec.		0.993375				27
Assessed Value	\$	1,236,933	1,236,933				28
Net Local & School Rate	mills		9.753845				29
Tax Equiv. Computed for Current Year	\$	12,065	12,065				30
Tax Equivalent per 1994 PSC Report	\$	3,021					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	12,065					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)	500		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	500	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)	28,031		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	39,675		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	67,706	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	11,669		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	8,634		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	20,303	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	225,280		22
Water Treatment Equipment (332)	51,789		23
Total Water Treatment Plant	277,069	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)			500	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	500	
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)			28,031	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			39,675	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	67,706	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			11,669	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			8,634	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	20,303	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			225,280	22
Water Treatment Equipment (332)			51,789	23
Total Water Treatment Plant	0	0	277,069	

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)	500		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	7,796		26
Transmission and Distribution Mains (343)	186,450	0	27
Fire Mains (344)	0		28
Services (345)	14,059		29
Meters (346)	15,031	0	30
Hydrants (348)	22,622	0	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	246,458	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	125		34
Office Furniture and Equipment (372)	758		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	2,387		38
Other Tangible Property (390)	0		39
Total General Plant	3,270	0	
Total utility plant in service directly assignable	615,306	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	615,306	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)			500 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			7,796 26
Transmission and Distribution Mains (343)		(87,817)	98,633 27
Fire Mains (344)			0 28
Services (345)			14,059 29
Meters (346)			15,031 30
Hydrants (348)			22,622 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	(87,817)	158,641
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			125 34
Office Furniture and Equipment (372)			758 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			2,387 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	3,270
Total utility plant in service directly assignable	0	(87,817)	527,489
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	(87,817)	527,489

**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)	18,396		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	36,891		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	55,287	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	16,409		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	10,926		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	27,335	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	351,095		22
Water Treatment Equipment (332)	80,479		23
Total Water Treatment Plant	431,574	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)			18,396 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			36,891 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	55,287
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			16,409 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			10,926 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	27,335
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			351,095 22
Water Treatment Equipment (332)			80,479 23
Total Water Treatment Plant	0	0	431,574

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)	8,498		26
Transmission and Distribution Mains (343)	64,977	189,992	27
Fire Mains (344)	0		28
Services (345)	15,324	28,739	29
Meters (346)	10,842	557	30
Hydrants (348)	10,215	45,373	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	109,856	264,661	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	137		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	137	0	
Total utility plant in service directly assignable	624,189	264,661	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	624,189	264,661	

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)			8,498 26
Transmission and Distribution Mains (343)		87,817	342,786 27
Fire Mains (344)			0 28
Services (345)			44,063 29
Meters (346)			11,399 30
Hydrants (348)			55,588 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	87,817	462,334
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			137 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	137
Total utility plant in service directly assignable	0	87,817	976,667
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	87,817	976,667

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

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

Sources of Water Supply					
Month (a)	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)	Total Gallons All Methods (000's) (e)	
January			997	997	1
February			961	961	2
March			1,066	1,066	3
April			1,015	1,015	4
May			1,048	1,048	5
June			1,119	1,119	6
July			1,310	1,310	7
August			1,155	1,155	8
September			1,231	1,231	9
October			1,688	1,688	10
November			1,780	1,780	11
December			1,463	1,463	12
Total annual pumpage	0	0	14,833	14,833	
Less: Water sold				11,290	13
Volume pumped but not sold				3,543	14
Volume sold as a percent of volume pumped				76%	15
Volume used for water production, water quality and system maintenance				650	16
Volume related to equipment/system malfunction				1,400	17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				2,050	19
Volume pumped but unaccounted for				1,493	20
Percent of water lost				10%	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.)				93	24
Date of maximum: 12/18/2006					25
Cause of maximum:					26
Flushing new addition					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				17	27
Date of minimum: 5/1/2006					28
Total KWH used for pumping for the year				54,932	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)	
1276 MAIN STREET	1	102	6	21,600	No	1
1490 MAIN STREET	2	420	6	108,000	Yes	2
1030 ZOGLMAN STREET	3	406	6	122,000	Yes	3

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 2	WELL 3	WTF #1	1
Location	1490 MAIN	1030 ZOGLMAN	900 ZOGLMAN	2
Purpose	P	P	B	3
Destination	T	T	D	4
Pump Manufacturer	GOULDS	PLEUGER	RELIANCE ELECTRIC	5
Year Installed	1996	2003	2003	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	OTHER	7
Actual Capacity (gpm)	80	85	500	8
Pump Motor or Standby Engine Mfr	WESTINGHOUSE	GRUNDFOS	RELIANCE ELECTRIC	9 10
Year Installed	1955	2003	2003	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	5	10	40	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	WTF #2	WTF #3		14
Location	900 ZOGLMAN	900 ZOGLMAN		15
Purpose	B	B		16
Destination	D	D		17
Pump Manufacturer	RELIANCE ELECTRIC	RELIANCE ELECTRIC		18
Year Installed	2003	2003		19
Type	OTHER	OTHER		20
Actual Capacity (gpm)	100	100		21
Pump Motor or Standby Engine Mfr	RELIANCE ELECTRIC	RELIANCE ELECTRIC		22 23
Year Installed	2003	2003		24
Type	ELECTRIC	ELECTRIC		25
Horsepower	10	10		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	1955		4
Primary material (earthen, steel, concrete, other)	STEEL		5
Elevation difference in feet (See Headnote 3.)	78		6
Total capacity in gallons (actual)	100,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		9
Points of application (wellhouse, central facilities, booster station, other)	CENTRAL FACILITIES		10
Filters, type (gravity, pressure, other, none)	NONE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.0000		12
Is a corrosion control chemical used (yes, no)?	N		13
Is water fluoridated (yes, no)?	N		14

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
P	D	2.000	340	0	0	0	340	1
A	D	4.000	454	0	0	0	454	2
A	D	6.000	17,414	0	0	0	17,414	3
M	S	6.000	670	0	0	0	670	4
P	D	6.000	1,311	1,400	0	0	2,711	5
P	S	6.000	1,750	0	0	0	1,750	6
A	D	8.000	3,195	0	0	0	3,195	7
M	T	8.000	524	0	0	0	524	8
P	D	8.000	0	4,150			4,150	9
Total Within Municipality			25,658	5,550	0	0	31,208	
Total Utility			25,658	5,550	0	0	31,208	

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	22	0	0	0	22		1
P	0.750	217	60	0	0	277	3	2
M	1.000	7	0	0	0	7		3
M	1.500	2	0	0	0	2		4
P	2.000		1			1		5
M	2.000	2	0	0	0	2		6
Total Utility		250	61	0	0	311	3	

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	262	6	0	0	268	0	1
1.000	11	0	0	0	11	0	2
1.250	1	0	0	0	1	0	3
1.500	5	0	0	0	5	0	4
2.000	4	0	0	0	4	0	5
2.500	1	0	0	0	1	0	6
3.000	1	0	0	0	1	0	7
Total:	285	6	0	0	291	0	

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	215	22	0	1	3	27	268	1
1.000	1	2	1	0	3	4	11	2
1.250	0	0	0	0	0	1	1	3
1.500	0	3	0	0	1	1	5	4
2.000	1	0	0	1	0	2	4	5
2.500	0	0	0	0	1	0	1	6
3.000	0	0	0	0	0	1	1	7
Total:	217	27	1	2	8	36	291	

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	40	12			52	2
Total Fire Hydrants	40	12	0	0	52	
Flushing Hydrants						
	5				5	3
Total Flushing Hydrants	5	0	0	0	5	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of hydrants operated during year:	52
Number of distribution system valves end of year:	45
Number of distribution valves operated during year:	45

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

Account 682 - Outside Services Employed - The Utility did additional testing during 2005 that was not required during 2006. In addition, outside assistance with balancing of the year end was performed by Utility personnel instead of an outside accountant.

Account 686 - Employees Pensions and Benefits - The increase is due to an increase in the health insurance costs, additional training for personnel and the employee was not able to perform services for the other divisions due to an injury therefore his costs were not allocated.

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

If Adjustments for any account are nonzero, please explain.

Account 343 - Transmission and distribution mains

The adjustment reflects the reallocation of the costs to contributed plant instead of municipal financed based on the special assessments to customers.

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

If Adjustments for any account are nonzero, please explain.

Account 343 - Transmission and Distribution Mains

The adjustment reflects the reallocation of the costs to contributed plant instead of municipal financed based on the special assessments to customers.

Water Mains (Page W-17)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

The water mains were financed through a special assessment to the property owners.

Water Services (Page W-18)

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

The water services were financed through a special assessment to the customers.

Meters (Page W-19)

If Tested During Year column total is zero, please explain.

The Utility does not test meters. Instead, meters are replaced as needed.

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

Meters are replaced at least once every 20 years.

If 2-inch or greater meters are reported as residential, please explain.

The 2" meter supplies a trailer court.

WATER OPERATING SECTION FOOTNOTES

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.

Station meters are tested at least once every two years.

SEWER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sewage Operating Revenues			
Sewage Operating Revenues (621-626)	78,123	80,643	1
Total Sewage Operating Revenues	78,123	80,643	
Other Operating Revenues			
Forfeited Discounts (631)	830	788	2
Servicing of Customers Laterals (632)	0	0	3
Sale of Fertilizer (633)	0	0	4
Rent from Sewerage Properties (634)	0	0	5
Miscellaneous Operating Revenues (635)	1,279	16	6
Amortization of Construction Grants (636)	0	0	7
Total Other Operating Revenues	2,109	804	
Total Operating Revenues	80,232	81,447	
Operation and Maintenance Expenses			
Operation Expenses (820-829)	44,143	38,002	8
Maintenance Expenses (831-834)	11,653	7,946	9
Customer Accounting & Collection Expenses (840-843)	9,412	7,749	10
Administrative and General Expenses (850-857)	23,605	22,406	11
Total Operation and Maintenance Expenses	88,813	76,103	
Other Operating Expenses			
Depreciation Expense (403)	11,561	9,590	12
Amortization Expense (404)		0	13
Taxes (408)	2,963	2,114	14
Total Other Operating Expenses	14,524	11,704	
Total Operating Expenses	103,337	87,807	
NET OPERATING INCOME	(23,105)	(6,360)	

SEWAGE OPERATING REVENUES

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for flat rate service.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. In the gallons column, report metered water or sewage used as the basis in determining customer bills.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons Billed (c)	Amounts (d)
Operating Revenues			
Sewage Operating Revenues			
Flat Rate Service to General Customers (621)			
Residential Revenues			1
Commercial Revenues			2
Industrial Revenues			3
Revenues from Public Authorities			4
Total Flat Rate Service to General Customers (621)	0	0	0
Measured Service to General Customers (622)			
Residential Revenues	217	8,098	58,487 5
Commercial Revenues	27	1,804	14,027 6
Industrial Revenues	1	38	319 7
Revenues from Public Authorities	2	760	4,215 8
Total Measured Service to General Customers (622)	247	10,700	77,048
Service to Public Authorities (623)			9
Service to Other Systems (624)			10
Other Sewerage Service (625)			11
Interdepartmental Service (626)	5	84	1,075 12
Total Sewage Operating Revenues	252	10,784	78,123

HIGH STRENGTH CONTRIBUTORS

1. High strength contributor is one with waste stronger than 250 mg/l for B.O.D. or 250 mg/l for suspended solids or 10 mg/l for phosphorus.
2. If domestic strength limits for BOD, SS and Phos. used for rate purposes are different from the levels indicated, please note the limits used in the spaces available.
3. The units "mg/l" are now used in place of the equivalent "ppm."
4. List type, volume, strength.

Type (a)	Volume Annual Gallons (000's) (b)	BOD (mg/l) (c)	SS (mg/l) (d)	Phos (mg/l) (e)
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NONE

OTHER OPERATING REVENUES (SEWER)

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 \$2,000 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)	
Customers Forfeited Discounts (631):		
Customer late payment charges	830	1
Other (specify):		
NONE		2
Total Customers Forfeited Discounts (631)	830	
Servicing of Customers Laterals (632):		
NONE		3
Total Servicing of Customers Laterals (632)	0	
Sale of Fertilizer (633):		
NONE		4
Total Sale of Fertilizer (633)	0	
Rent from Sewerage Property (634):		
NONE		5
Total Rent from Sewerage Property (634)	0	
Miscellaneous Operating Revenues (635):		
MISCELLANEOUS	1,279	6
Total Miscellaneous Operating Revenues (635)	1,279	
Amortization of Construction Grants (636):		
NONE		7
Total Amortization of Construction Grants (636)	0	

SEWER 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)	
OPERATION EXPENSES			
Supervision and Labor (820)	19,363	16,309	1
Power and Fuel for Pumping (821)	3,884	3,794	2
Power and Fuel for Aeration Equipment (822)	10,052	10,895	3
Chlorine (823)	2,756	1,096	4
Phosphorous Removal Chemicals (824)		0	5
Sludge Conditioning Chemicals (825)		0	6
Other Chemicals for Sewage Treatment (826)		0	7
Other Operating Supplies and Expenses (827)	7,046	5,767	8
Transportation Expenses (828)	1,042	141	9
Rents (829)		0	10
Total Operation Expenses	44,143	38,002	
MAINTENANCE EXPENSES			
Maintenance of Sewage Collection System (831)	5,563	4,650	11
Maintenance of Collection System Pumping Equipment (832)		0	12
Maintenance of Treatment and Disposal Plant Equipment (833)	6,090	3,296	13
Maintenance of General Plant Structures and Equipment (834)		0	14
Total Maintenance Expenses	11,653	7,946	
CUSTOMER ACCOUNTING & COLLECTION EXPENSES			
Billing, Collecting and Accounting (840)	7,785	7,050	15
Flat Rate Inspections (841)		0	16
Meter Reading (842)	1,555	699	17
Uncollectible Accounts (843)	72	0	18
Total Customer Accounting & Collection Expenses	9,412	7,749	
ADMINISTRATIVE AND GENERAL EXPENSES			
Administrative and General Salaries (850)	3,577	3,855	19
Office Supplies and Expenses (851)	1,113	1,016	20
Outside Services Employed (852)	1,800	7,350	21
Insurance Expense (853)	814	2,007	22
Employees Pensions and Benefits (854)	16,024	7,898	23

SEWER 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)
ADMINISTRATIVE AND GENERAL EXPENSES		
Regulatory Commission Expenses (855)		73
Miscellaneous General Expenses (856)	277	207
Rents (857)		0
Total Administrative and General Expenses	23,605	22,406
 Total Operation and Maintenance Expenses	88,813	76,103

TAXES (ACCT. 408 - SEWER)

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)	
Social Security	BASED ON ACTUAL PAYROLL	2,755	1,951	1
Local and School Tax Equivalent on Meters Charged by Water Department		116	90	2
PSC Remainder Assessment	INVOICE RECEIVED FROM PSC	92	73	3
Other (specify): NONE			0	4
Total tax expense		<u>2,963</u>	<u>2,114</u>	

SEWER 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, 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)	558		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	558	0	
COLLECTION SYSTEM			
Land and Land Rights (310)	1,003		4
Structures and Improvements (311)	0		5
Service Connections, Traps, and Accessories (312)	11,163		6
Collecting Mains and Accessories (313)	91,584		7
Interceptor Mains and Accessories (314)	0		8
Force Mains (315)	70,303	0	9
Other Collecting System Equipment (316)	0		10
Total Collection System	174,053	0	
COLLECTION SYSTEM PUMPING INSTALLATIONS			
Land and Land Rights (320)	0		11
Structures and Improvements (321)	0		12
Receiving Wells (322)	2,512		13
Electric Pumping Equipment (323)	25,728		14
Other Power Pumping Equipment (324)	18,744	0	15
Miscellaneous Pumping Equipment (325)	0		16
Total Collection System Pumping Installations	46,984	0	
TREATMENT AND DISPOSAL PLANT			
Land and Land Rights (330)	3,956		17
Structures and Improvements (331)	68,050	0	18
Preliminary Treatment Equipment (332)	0		19
Primary Treatment Equipment (333)	0		20
Secondary Treatment Equipment (334)	28,791		21
Advanced Treatment Equipment (335)	0		22
Chlorination Equipment (336)	4,997		23
Sludge Treatment and Disposal Equipment (337)	11,661		24
Plant Site Piping (338)	7,508		25
Flow Metering and Monitoring Equipment (339)	2,955		26

SEWER 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)			558 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	558
COLLECTION SYSTEM			
Land and Land Rights (310)			1,003 4
Structures and Improvements (311)			0 5
Service Connections, Traps, and Accessories (312)			11,163 6
Collecting Mains and Accessories (313)			91,584 7
Interceptor Mains and Accessories (314)			0 8
Force Mains (315)			70,303 9
Other Collecting System Equipment (316)			0 10
Total Collection System	0	0	174,053
COLLECTION SYSTEM PUMPING INSTALLATIONS			
Land and Land Rights (320)			0 11
Structures and Improvements (321)			0 12
Receiving Wells (322)			2,512 13
Electric Pumping Equipment (323)			25,728 14
Other Power Pumping Equipment (324)			18,744 15
Miscellaneous Pumping Equipment (325)			0 16
Total Collection System Pumping Installations	0	0	46,984
TREATMENT AND DISPOSAL PLANT			
Land and Land Rights (330)			3,956 17
Structures and Improvements (331)			68,050 18
Preliminary Treatment Equipment (332)			0 19
Primary Treatment Equipment (333)			0 20
Secondary Treatment Equipment (334)			28,791 21
Advanced Treatment Equipment (335)			0 22
Chlorination Equipment (336)			4,997 23
Sludge Treatment and Disposal Equipment (337)			11,661 24
Plant Site Piping (338)			7,508 25
Flow Metering and Monitoring Equipment (339)			2,955 26

SEWER 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, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TREATMENT AND DISPOSAL PLANT			
Outfall Sewer Pipes (340)	48,670		27
Other Treatment and Disposal Plant Equipment (341)	0		28
Total Treatment and Disposal Plant	176,588	0	
GENERAL PLANT			
Land and Land Rights (370)	0		29
Structures and Improvements (371)	0		30
Office Furniture and Equipment (372)	1,145		31
Computer Equipment (372.1)	0		32
Transportation Equipment (373)	0		33
Other General Equipment (379)	16,166		34
Other Tangible Property (390)	0		35
Total General Plant	17,311	0	
Total utility plant in service directly assignable	415,494	0	
Common Utility Plant Allocated to Sewer Department	0		36
Total utility plant in service	415,494	0	

SEWER 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)
TREATMENT AND DISPOSAL PLANT			
Outfall Sewer Pipes (340)			48,670 27
Other Treatment and Disposal Plant Equipment (341)			0 28
Total Treatment and Disposal Plant	0	0	176,588
GENERAL PLANT			
Land and Land Rights (370)			0 29
Structures and Improvements (371)			0 30
Office Furniture and Equipment (372)			1,145 31
Computer Equipment (372.1)			0 32
Transportation Equipment (373)			0 33
Other General Equipment (379)			16,166 34
Other Tangible Property (390)			0 35
Total General Plant	0	0	17,311
Total utility plant in service directly assignable	0	0	415,494
Common Utility Plant Allocated to Sewer Department			0 36
Total utility plant in service	0	0	415,494

**SEWER 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, 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	
COLLECTION SYSTEM			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Service Connections, Traps, and Accessories (312)	17,982	29,400	6
Collecting Mains and Accessories (313)	83,814	127,149	7
Interceptor Mains and Accessories (314)	0		8
Force Mains (315)	113,258	88,488	9
Other Collecting System Equipment (316)	0		10
Total Collection System	215,054	245,037	
COLLECTION SYSTEM PUMPING INSTALLATIONS			
Land and Land Rights (320)	0		11
Structures and Improvements (321)	0		12
Receiving Wells (322)	4,046	64,985	13
Electric Pumping Equipment (323)	25,269		14
Other Power Pumping Equipment (324)	30,196	8,500	15
Miscellaneous Pumping Equipment (325)	0		16
Total Collection System Pumping Installations	59,511	73,485	
TREATMENT AND DISPOSAL PLANT			
Land and Land Rights (330)	0		17
Structures and Improvements (331)	109,629	0	18
Preliminary Treatment Equipment (332)	0		19
Primary Treatment Equipment (333)	0		20
Secondary Treatment Equipment (334)	46,382		21
Advanced Treatment Equipment (335)	0		22
Chlorination Equipment (336)	8,049		23
Sludge Treatment and Disposal Equipment (337)	1,474		24
Plant Site Piping (338)	12,096		25
Flow Metering and Monitoring Equipment (339)	4,762		26

SEWER 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
COLLECTION SYSTEM			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Service Connections, Traps, and Accessories (312)			47,382 6
Collecting Mains and Accessories (313)			210,963 7
Interceptor Mains and Accessories (314)			0 8
Force Mains (315)			201,746 9
Other Collecting System Equipment (316)			0 10
Total Collection System	0	0	460,091
COLLECTION SYSTEM PUMPING INSTALLATIONS			
Land and Land Rights (320)			0 11
Structures and Improvements (321)			0 12
Receiving Wells (322)			69,031 13
Electric Pumping Equipment (323)			25,269 14
Other Power Pumping Equipment (324)			38,696 15
Miscellaneous Pumping Equipment (325)			0 16
Total Collection System Pumping Installations	0	0	132,996
TREATMENT AND DISPOSAL PLANT			
Land and Land Rights (330)			0 17
Structures and Improvements (331)			109,629 18
Preliminary Treatment Equipment (332)			0 19
Primary Treatment Equipment (333)			0 20
Secondary Treatment Equipment (334)			46,382 21
Advanced Treatment Equipment (335)			0 22
Chlorination Equipment (336)			8,049 23
Sludge Treatment and Disposal Equipment (337)			1,474 24
Plant Site Piping (338)			12,096 25
Flow Metering and Monitoring Equipment (339)			4,762 26

**SEWER 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, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TREATMENT AND DISPOSAL PLANT			
Outfall Sewer Pipes (340)	78,405		27
Other Treatment and Disposal Plant Equipment (341)	0		28
Total Treatment and Disposal Plant	260,797	0	
GENERAL PLANT			
Land and Land Rights (370)	0		29
Structures and Improvements (371)	0		30
Office Furniture and Equipment (372)	0		31
Computer Equipment (372.1)	0		32
Transportation Equipment (373)	0		33
Other General Equipment (379)	0		34
Other Tangible Property (390)	0		35
Total General Plant	0	0	
Total utility plant in service directly assignable	535,362	318,522	
Common Utility Plant Allocated to Sewer Department	0		36
Total utility plant in service	535,362	318,522	

SEWER 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)
TREATMENT AND DISPOSAL PLANT			
Outfall Sewer Pipes (340)			78,405 27
Other Treatment and Disposal Plant Equipment (341)			0 28
Total Treatment and Disposal Plant	0	0	260,797
GENERAL PLANT			
Land and Land Rights (370)			0 29
Structures and Improvements (371)			0 30
Office Furniture and Equipment (372)			0 31
Computer Equipment (372.1)			0 32
Transportation Equipment (373)			0 33
Other General Equipment (379)			0 34
Other Tangible Property (390)			0 35
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	853,884
Common Utility Plant Allocated to Sewer Department			0 36
Total utility plant in service	0	0	853,884

SEWER 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 disconnected 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 diameter; pipe materials do not need to be specified.

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)
Sewer	4.000	243	63	0	0	306	3
Total Utility		243	63	0	0	306	3

1

SEWER MAINS

1. Report mains separately by diameter. Pipe materials do not need to be specified.
2. Explain all reported adjustments as a schedule footnote.
3. For main additions reported in column (c), 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						
Diameter in Inches (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	
4.000	120	4,357	0	0	4,477	1
6.000	340	1,420	0	0	1,760	2
8.000	20,191	4,573	0	0	24,764	3
10.000	1,977	0	0	0	1,977	4
Total Utility	22,628	10,350	0	0	32,978	

SEWER OPERATING SECTION FOOTNOTES

Sewer Operation & Maintenance Expenses (Page S-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

Account 833 - Maintenance of Treatment and Disposal Plan Equipment - The cost was higher due to additional maintenance on a lift station.

Account 852 - Outside Services - The cost decreased due to the Utility performing many of the year end balancing procedures instead of outside accounting staff.

Account 854 - Employees Pensions and Benefits - The amount increased due to additional personnel allocating time to the sewer utility and therefore a portion of their benefits. Health insurance and training also increase for 2006.

Sewer Utility Plant in Service --Plant Financed by Contributions-- (Page S-09)

If Additions for any Accounts exceed \$10,000, please explain.

All additions are due to the extension of services to the Lower Red Lake Area.

Sewer Services (Page S-11)

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

The additions were financed by the Utility and reimbursed by the customer for actual costs incurred.

Sewer Mains (Page S-12)

If Added During Year is greater than zero, please explain financing (see schedule headnote No. 3 regarding financing of mains).

The additions were financed through special assessments to land owners based on actual costs incurred.

If Sewer Mains Additions column total is greater than zero AND Additions on both of the Sewer Utility Plant in Service schedules (Accounts 313, 314 and/or 315) are zero, please explain.

The Utility does not have any interceptor mains.
