



3014 (02-02-05)

ANNUAL REPORT

OF

Name: MCFARLAND WATER & SEWER UTILITY

Principal Office: 5915 MILWAUKEE STREET
P.O. BOX 110
MCFARLAND, WI 53558-0110

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.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MCFARLAND WATER & SEWER UTILITY

Utility Address: 5915 MILWAUKEE STREET
P.O. BOX 110
MCFARLAND, WI 53558-0110

When was utility organized? 1/1/1941

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MR DON PETERSON
Title: VILLAGE ADMINISTRATOR

Office Address:
5915 MILWAUKEE STREET
P.O. BOX 110
MCFARLAND, WI 53558-0110

Telephone: (608) 838 - 3153

Fax Number: (608) 838 - 3619

E-mail Address: don.peterson@mcfarland.wi.us

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

Name: SARAH SCHLEEDE
Title: SENIOR ACCOUNTANT

Office Address: VIRCHOW KRAUSE & CO., LLP
TEN TERRACE COURT
MADISON, WI 53718

Telephone: (608) 240 - 2310

Fax Number: (608) 249 - 8532

E-mail Address: sschleede@virchowkrause.com

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

Name: KEVIN WERNET
Title: CHAIRMAN OF VILLAGE BOARD

Office Address:
5915 MILWAUKEE STREET
P.O. BOX 110
MCFARLAND, WI 53558

Telephone: (608) 838 - 3453

Fax Number: (608) 838 - 3619

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:

Title:

Office Address: VIRCHOW KRAUSE & COMPANY, LLP
TEN TERRACE COURT
MADISON, WI 53718

Telephone: (608) 240 - 2310

Fax Number: (608) 249 - 8532

E-mail Address:

Date of most recent audit report: 12/31/2006

Period covered by most recent audit: 2006

Names and titles of utility management including manager or superintendent:

Name: MR ALLAN COVILLE

Title: DIRECTOR OF PUBLIC WORKS

Office Address:

5115 TERMINAL DRIVE
P.O. BOX 110
MCFARLAND, WI 53558-0110

Telephone: (608) 838 - 7287

Fax Number: (608) 838 - 6823

E-mail Address: allan.coville@mcfarland.wi.us

Name of utility commission/committee: McFarland Public Utilities Committee

Names of members of utility commission/committee:

MATTHEW DODGE
WALLY DYER
CHRIS KLAR
CRAIG WEISS
KEVIN WERNET, CHAIRPERSON

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? NO

Date of Ordinance:

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	992,176	1,084,647	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	417,441	554,516	2
Depreciation Expense (403)	116,350	107,862	3
Amortization Expense (404-407)	0	0	4
Taxes (408)	160,769	156,829	5
Total Operating Expenses	694,560	819,207	
Net Operating Income	297,616	265,440	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	297,616	265,440	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Income from Nonutility Operations (417)	150,549	0	8
Nonoperating Rental Income (418)	0	0	9
Interest and Dividend Income (419)	45,353	38,932	10
Miscellaneous Nonoperating Income (421)	166,240	123,627	11
Total Other Income	362,142	162,559	
Total Income	659,758	427,999	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(22,822)	(22,822)	12
Other Income Deductions (426)	72,612	71,291	13
Total Miscellaneous Income Deductions	49,790	48,469	
Income Before Interest Charges	609,968	379,530	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	93,060	81,791	14
Amortization of Debt Discount and Expense (428)	13,935	42,408	15
Amortization of Premium on Debt--Cr. (429)	13,720	10,297	16
Interest on Debt to Municipality (430)	0	0	17
Other Interest Expense (431)	0	0	18
Interest Charged to Construction--Cr. (432)	0	0	19
Total Interest Charges	93,275	113,902	
Net Income	516,693	265,628	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	9,669,238	9,403,610	20
Balance Transferred from Income (433)	516,693	265,628	21
Miscellaneous Credits to Surplus (434)	200,723	0	22
Miscellaneous Debits to Surplus--Debit (435)	0	0	23
Appropriations of Surplus--Debit (436)	0	0	24
Appropriations of Income to Municipal Funds--Debit (439)	0	0	25
Total Unappropriated Earned Surplus End of Year (216)	10,386,654	9,669,238	

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 Income from Nonutility Operations, Account 417.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	992,176		992,176	1
Total (Acct. 400):	992,176	0	992,176	
Operation and Maintenance Expense (401-402):				
Derived	417,441		417,441	2
Total (Acct. 401-402):	417,441	0	417,441	
Depreciation Expense (403):				
Derived	116,350		116,350	3
Total (Acct. 403):	116,350	0	116,350	
Amortization Expense (404-407):				
Derived	0		0	4
Total (Acct. 404-407):	0	0	0	
Taxes (408):				
Derived	160,769		160,769	5
Total (Acct. 408):	160,769	0	160,769	
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:	297,616	0	297,616	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Income from Nonutility Operations (417):				
UNREGULATED SEWER UTILITY OPERATING INCOME	150,549		150,549	9
Total (Acct. 417):	150,549	0	150,549	
Nonoperating Rental Income (418):				
NONE	0		0	10
Total (Acct. 418):	0	0	0	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Income from Nonutility Operations, Account 417.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Interest and Dividend Income (419):			
INTEREST INCOME	45,353	0	45,353 11
Total (Acct. 419):	45,353	0	45,353
Miscellaneous Nonoperating Income (421):			
Contributed Plant - Water			0 12
CONTRIBUTIONS IN AID OF CONSTRUCTION	0	137,313	137,313 13
IMPACT FEE CONTRIBUTIONS	0	28,927	28,927 14
Total (Acct. 421):	0	166,240	166,240
TOTAL OTHER INCOME:	195,902	166,240	362,142
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(22,822)		(22,822) 15
NONE	0	0	0 16
Total (Acct. 425):	(22,822)	0	(22,822)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		72,612	72,612 17
NONE	0	0	0 18
Total (Acct. 426):	0	72,612	72,612
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(22,822)	72,612	49,790
INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	93,060		93,060 19
Total (Acct. 427):	93,060	0	93,060
Amortization of Debt Discount and Expense (428):			
AMORTIZATION OF DEBT ISSUE COSTS	7,124		7,124 20
AMORTIZATION OF LOSS ON ADVANCED REFUNDING	6,811		6,811 21
Total (Acct. 428):	13,935	0	13,935
Amortization of Premium on Debt--Cr. (429):			
AMORTIZATION OF DEBT PREMIUM	13,720		13,720 22
Total (Acct. 429):	13,720	0	13,720
Interest on Debt to Municipality (430):			
Derived	0		0 23
Total (Acct. 430):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
 2. Nonregulated sewer income should be reported as Income from Nonutility Operations, Account 417.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Other Interest Expense (431):			
Derived	0		0 24
Total (Acct. 431):	0	0	0
Interest Charged to Construction--Cr. (432):			
NONE	0		0 25
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	93,275	0	93,275
NET INCOME:	423,065	93,628	516,693
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	3,013,135	6,656,103	9,669,238 26
Total (Acct. 216):	3,013,135	6,656,103	9,669,238
Balance Transferred from Income (433):			
Derived	423,065	93,628	516,693 27
Total (Acct. 433):	423,065	93,628	516,693
Miscellaneous Credits to Surplus (434):			
PRIOR PERIOD ADJUSTMENT	0	200,723	200,723 28
Total (Acct. 434):	0	200,723	200,723
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 29
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 30
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 31
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	3,436,200	6,950,454	10,386,654

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 & 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	992,176	0	0	0	992,176	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents	0	0		0	0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify: NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	992,176	0	0	0	992,176	

DISTRIBUTION OF TOTAL PAYROLL

1. Amounts charged to Utility Financed and to Contributed Plant accounts should be combined and reported in plant or accumulated depreciation accounts.
2. Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
3. The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
4. Provide additional information in the schedule footnotes when necessary.

Accounts Charged (a)	Direct Payroll Distribution (b)	Allocation of Amounts Charged Clearing Accts. (c)	Total (d)	
Water operating expenses	170,006		170,006	1
Electric operating expenses			0	2
Gas operating expenses			0	3
Heating operating expenses			0	4
Sewer operating expenses	81,698		81,698	5
Merchandising and jobbing			0	6
Other nonutility expenses			0	7
Water utility plant accounts			0	8
Electric utility plant accounts			0	9
Gas utility plant accounts			0	10
Heating utility plant accounts			0	11
Sewer utility plant accounts			0	12
Accum. prov. for depreciation of water plant			0	13
Accum. prov. for depreciation of electric plant			0	14
Accum. prov. for depreciation of gas plant			0	15
Accum. prov. for depreciation of heating plant			0	16
Accum. prov. for depreciation of sewer plant			0	17
Clearing accounts			0	18
All other accounts			0	19
Total Payroll	251,704	0	251,704	

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	3	1
Electric		2
Gas		3
Sewer	2.5	4

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	9,474,099	9,004,902	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	1,816,064	1,756,559	2
Net Utility Plant	7,658,035	7,248,343	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	4,849,357	4,708,130	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	1,217,258	1,142,643	4
Net Nonutility Property	3,632,099	3,565,487	
Investment in Municipality (123)	0	0	5
Other Investments (124)	38,281	44,452	6
Special Funds (125)	656,400	615,869	7
Total Other Property and Investments	4,326,780	4,225,808	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	1,837,280	2,061,342	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	94,337	87,770	11
Other Accounts Receivable (143)	102,311	99,183	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	40,147	32,556	14
Materials and Supplies (150)	14,488	10,795	15
Prepayments (165)	3,883	3,465	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	2,092,446	2,295,111	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	110,889	124,824	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	6,739	5,416	20
Total Deferred Debits	117,628	130,240	
Total Assets and Other Debits	14,194,889	13,899,502	

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)	910,260	865,010	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	10,386,654	9,669,238	23
Total Proprietary Capital	11,296,914	10,534,248	
LONG-TERM DEBT			
Bonds (221)	2,015,000	2,230,000	24
Advances from Municipality (223)	0	0	25
Other Long-Term Debt (224)	0	0	26
Total Long-Term Debt	2,015,000	2,230,000	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	137,272	167,720	28
Payables to Municipality (233)	6,870	0	29
Customer Deposits (235)	5,000	5,000	30
Taxes Accrued (236)	149,435	145,765	31
Interest Accrued (237)	7,260	7,800	32
Other Current and Accrued Liabilities (238)	24,926	24,958	33
Total Current and Accrued Liabilities	330,763	351,243	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	108,612	122,332	34
Customer Advances for Construction (252)		200,723	35
Other Deferred Credits (253)	389,692	412,448	36
Total Deferred Credits	498,304	735,503	
OPERATING RESERVES			
Property Insurance Reserve (261)			37
Injuries and Damages Reserve (262)			38
Pensions and Benefits Reserve (263)	53,908	48,508	39
Miscellaneous Operating Reserves (265)			40
Total Operating Reserves	53,908	48,508	
Total Liabilities and Other Credits	14,194,889	13,899,502	

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	9,004,902	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (101.1)	5,038,388	0	0	0	2
Utility Plant in Service - Contributed Plant (101.2)	4,435,711	0	0	0	3
Utility Plant Purchased or Sold (102)					4
Utility Plant in Process of Reclassification (103)					5
Utility Plant Leased to Others (104)					6
Property Held for Future Use (105)					7
Completed Construction not Classified (106)					8
Construction Work in Progress (107)					9
Utility Plant Acquisition Adjustments (108)					10
Other Utility Plant Adjustments (109)					11
Total Utility Plant	9,474,099	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	1,081,547	0	0	0	12
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	734,517	0	0	0	13
Total Accumulated Provision	1,816,064	0	0	0	
Net Utility Plant	7,658,035	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	1,094,654				1,094,654	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	116,350				116,350	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	9,553				9,553	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
Adjustment to depreciation	13,256				13,256	12
					0	13
					0	14
					0	15
Total credits	139,159	0	0	0	139,159	16
Debits during year						17
Book cost of plant retired	134,109				134,109	18
Cost of removal	18,157				18,157	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	152,266	0	0	0	152,266	25
Balance end of year (110.1)	1,081,547	0	0	0	1,081,547	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	661,905				661,905	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	72,612				72,612	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	72,612	0	0	0	72,612	16
Debits during year						17
Book cost of plant retired	0				0	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	0	0	0	0	0	25
Balance end of year (110.1)	734,517	0	0	0	734,517	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

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

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	4,708,130	163,913	22,686	4,849,357	1
Other (specify):					
CONSTRUCTION WORK IN PROGRESS	0			0	2
Total Nonutility Property (121)	4,708,130	163,913	22,686	4,849,357	
Less accum. prov. depr. & amort. (122)	1,142,643	88,264	13,649	1,217,258	3
Net Nonutility Property	3,565,487	75,649	9,037	3,632,099	

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	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	14,488	10,795	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	14,488	10,795	

**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)				
2005 BONDS - DEBT ISSUANCE COSTS	7,124	428	56,394	1
2005 BONDS - LOSS ON ADVANCED REFUNDING	6,811	428	54,495	2
NONE				3
Total			110,889	
Unamortized premium on debt (251)				
2005 BONDS	13,720	429	108,612	4
Total			108,612	

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	865,010	1
Changes during year (explain):		
PARKVIEW ESTATES - TIF CONTRIBUTED	45,250	2
Balance end of year	910,260	

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)	
2005 REVENUE BOND	04/01/2005	12/01/2014	4.56%	2,015,000	1
Total Bonds (Account 221):				2,015,000	

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)
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NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	145,765	1
Accruals:		
Charged water department expense	160,769	2
Charged electric department expense		3
Charged sewer department expense	2,799	4
Other (explain):		
NONE		5
Total Accruals and other credits	163,568	
Taxes paid during year:		
County, state and local taxes	145,765	6
Social Security taxes	13,123	7
PSC Remainder Assessment	1,010	8
Other (explain):		
NONE		9
Total payments and other debits	159,898	
Balance end of year	149,435	

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)					
1996 Joint Mortgage Revenue Bonds	0			0	1
2005 REVENUE BONDS	7,800	93,060	93,600	7,260	2
Subtotal	7,800	93,060	93,600	7,260	
Advances from Municipality (223)					
NONE	0			0	3
Subtotal	0	0	0	0	
Other Long-Term Debt (224)					
NONE	0			0	4
Subtotal	0	0	0	0	
Notes Payable (231)					
None	0			0	5
Subtotal	0	0	0	0	
Total	7,800	93,060	93,600	7,260	

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):		
SPECIAL ASSESSMENTS	38,281	2
Total (Acct. 124):	38,281	
Special Funds (125):		
IMPACT FEE FUND	234,767	3
BOND REDEMPTION FUND	25,596	4
RESERVE ACCOUNT	236,500	5
REPLACEMENT ACCOUNT	6,200	6
DEPRECIATION ACCOUNT	38,000	7
WATER TOWER RESERVE	115,337	8
Total (Acct. 125):	656,400	
Notes Receivable (141):		
NONE		9
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	94,337	10
Electric		11
Sewer (Regulated)		12
Other (specify):		
NONE		13
Total (Acct. 142):	94,337	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	102,060	14
Merchandising, jobbing and contract work		15
Other (specify):		
MISC WATER USAGE	251	16
Total (Acct. 143):	102,311	
Receivables from Municipality (145):		
DELINQUENTS ON TAX ROLL	40,147	17
Total (Acct. 145):	40,147	
Prepayments (165):		
PREPAID INSURANCE	3,883	18
Total (Acct. 165):	3,883	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Extraordinary Property Losses (182):		
NONE		19
Total (Acct. 182):	0	
Other Deferred Debits (183):		
PRELIMINARY SURVEY AND INVESTIGATION	202	20
ENGINEERING SERVICES FOR NEW WELL LOCATION AND IMPACT STUDY	6,537	21
Total (Acct. 183):	6,739	
Payables to Municipality (233):		
PUBLIC FIRE PROTECTION DUE TO MUNICIPALITY	6,870	22
Total (Acct. 233):	6,870	
Other Deferred Credits (253):		
Regulatory Liability	387,976	23
DEFERRED TOWER RENTAL REVENUE	1,716	24
Total (Acct. 253):	389,692	

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 (101.1)	4,880,450	0	0	0	4,880,450	1
Materials and Supplies	12,641	0	0	0	12,641	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	1,088,100	0	0	0	1,088,100	4
Customer Advances for Construction					0	5
Regulatory Liability	399,387	0	0	0	399,387	6
NONE					0	7
Average Net Rate Base	3,405,604	0	0	0	3,405,604	
Net Operating Income	297,616	0	0	0	297,616	8
Net Operating Income as a percent of						
Average Net Rate Base	8.74%	N/A	N/A	N/A	8.74%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

**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	410,798	0	0	0	410,798	1
Add credits during year:						
NONE					0	2
Deduct charges:						
Miscellaneous Amortization (425)	22,822	0	0	0	22,822	3
Other (specify):						
NONE					0	4
Balance End of Year	387,976	0	0	0	387,976	

FINANCIAL SECTION FOOTNOTES

Accumulated Provision for Depreciation and Amortization of Utility Plant on Utility Plant Financed by Ut

General footnotes

In 2005, over retired the account wells and springs. Had to apply retirement to adjustments and adjust Accumulated Depreciation for the amount

Balance Sheet End-of-Year Account Balances (Page F-19)

Other Deferred Debits (Acct 183): amortization requires PSC authorization. Provide date of authorization.

N/A

Please explain amounts in Accounts 143, 145 and/or 233 in excess of \$5,000, providing a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

See account 145 and 233 for details

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)**General footnotes****ACCOUNTANTS' COMPILATION REPORT**

McFarland Water Utility
McFarland, Wisconsin

We have compiled, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, the balance sheets of the McFarland Water and Sewer Utility, an enterprise fund of the Village of McFarland as of December 31, 2006 and 2005, and the related statements of income and retained earnings for the years then ended and the supplemental schedules as of and for the year ended December 31, 2006 in the accompanying prescribed form.

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

The financial statements and related supplemental schedules are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Public Service Commission of Wisconsin and is not intended and should not be used by anyone other than the specified party.

Madison, Wisconsin
March 10, 2007

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	898,307	909,420	1
Total Sales of Water	898,307	909,420	
Other Operating Revenues			
Forfeited Discounts (470)	5,494	4,921	2
Miscellaneous Service Revenues (471)	0	0	3
Rents from Water Property (472)	66,085	63,453	4
Interdepartmental Rents (473)	0	0	5
Other Water Revenues (474)	22,290	106,853	6
Total Other Operating Revenues	93,869	175,227	
Total Operating Revenues	992,176	1,084,647	
Operation and Maintenance Expenses			
Source of Supply Expenses (600-605)	701	1,308	7
Pumping Expenses (620-625)	68,124	74,705	8
Water Treatment Expenses (630-635)	17,900	16,732	9
Transmission and Distribution Expenses (640-655)	109,753	257,817	10
Customer Accounts Expenses (901-904)	29,207	29,925	11
Sales Expenses (910)	0	0	12
Administrative and General Expenses (920-935)	191,756	174,029	13
Total Operation and Maintenance Expenses	417,441	554,516	
Other Operating Expenses			
Depreciation Expense (403)	116,350	107,862	14
Amortization Expense (404-407)	0	0	15
Taxes (408)	160,769	156,829	16
Total Other Operating Expenses	277,119	264,691	
Total Operating Expenses	694,560	819,207	
NET OPERATING INCOME	297,616	265,440	

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	14	1,585	3,264	1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	14	1,585	3,264	
Metered Sales to General Customers (461)				
Residential	2,577	147,133	480,631	4
Commercial	255	38,444	98,482	5
Industrial				6
Total Metered Sales to General Customers (461)	2,832	185,577	579,113	
Private Fire Protection Service (462)	38		21,515	7
Public Fire Protection Service (463)	1		278,730	8
Other Sales to Public Authorities (464)	27	5,392	15,685	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	2,912	192,554	898,307	

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)
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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)	278,730	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)	278,730	
Forfeited Discounts (470):		
Customer late payment charges	5,494	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	5,494	
Miscellaneous Service Revenues (471):		
NONE		7
Total Miscellaneous Service Revenues (471)	0	
Rents from Water Property (472):		
WATER TOWER LEASE REVENUE	66,085	8
Total Rents from Water Property (472)	66,085	
Interdepartmental Rents (473):		
NONE		9
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	7,290	10
Other (specify): INSURANCE/LEGAL SETTLEMENT FOR WELL #2 REMEDIATION	15,000	11
Total Other Water Revenues (474)	22,290	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 25 percent, but not less than \$5,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
SOURCE OF SUPPLY EXPENSES			
Operation Labor (600)	701	752	1
Purchased Water (601)		0	2
Operation Supplies and Expenses (602)		556	3
Maintenance of Water Source Plant (605)		0	4
Total Source of Supply Expenses	701	1,308	
PUMPING EXPENSES			
Operation Labor (620)	29,482	26,568	5
Fuel for Power Production (621)		0	6
Fuel or Power Purchased for Pumping (622)	27,980	35,748	7
Operation Supplies and Expenses (623)	4,122	5,548	8
Maintenance of Pumping Plant (625)	6,540	6,841	9
Total Pumping Expenses	68,124	74,705	
WATER TREATMENT EXPENSES			
Operation Labor (630)	2,556	2,661	10
Chemicals (631)	11,492	11,422	11
Operation Supplies and Expenses (632)		0	12
Maintenance of Water Treatment Plant (635)	3,852	2,649	13
Total Water Treatment Expenses	17,900	16,732	
TRANSMISSION AND DISTRIBUTION EXPENSES			
Operation Labor (640)	31,230	26,326	14
Operation Supplies and Expenses (641)	2,664	2,285	15
Maintenance of Distribution Reservoirs and Standpipes (650)		157,842	16
Maintenance of Mains (651)	45,632	35,392	17
Maintenance of Services (652)	16,607	20,324	18
Maintenance of Meters (653)	4,801	3,885	19
Maintenance of Hydrants (654)	8,819	11,763	20
Maintenance of Other Plant (655)		0	21
Total Transmission and Distribution Expenses	109,753	257,817	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 25 percent, but not less than \$5,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
CUSTOMER ACCOUNTS EXPENSES			
Meter Reading Labor (901)	2,176	1,939	22
Accounting and Collecting Labor (902)	23,186	23,874	23
Supplies and Expenses (903)	3,845	4,112	24
Uncollectible Accounts (904)		0	25
Total Customer Accounts Expenses	29,207	29,925	
SALES EXPENSES			
Sales Expenses (910)		0	26
Total Sales Expenses	0	0	
ADMINISTRATIVE AND GENERAL EXPENSES			
Administrative and General Salaries (920)	40,967	39,571	27
Office Supplies and Expenses (921)	4,128	2,867	28
Administrative Expenses Transferred--Credit (922)	0	0	29
Outside Services Employed (923)	23,600	23,656	30
Property Insurance (924)	23,638	22,030	31
Injuries and Damages (925)		0	32
Employee Pensions and Benefits (926)	51,998	45,621	33
Regulatory Commission Expenses (928)		0	34
Miscellaneous General Expenses (930)	29,226	22,815	35
Transportation Expenses (933)	18,199	17,469	36
Maintenance of General Plant (935)		0	37
Total Administrative and General Expenses	191,756	174,029	
Total Operation and Maintenance Expenses	417,441	554,516	

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		149,435	145,765	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		2,799	2,672	2
Net property tax equivalent		146,636	143,093	
Social Security		13,123	12,951	3
PSC Remainder Assessment		1,010	785	4
Other (specify): NONE			0	5
Total tax expense		160,769	156,829	

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			Dane				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.196139				3
County tax rate	mills		2.705751				4
Local tax rate	mills		7.034085				5
School tax rate	mills		11.738211				6
Voc. school tax rate	mills		1.353959				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		23.028145				10
Less: state credit	mills		1.719367				11
Net tax rate	mills		21.308778				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		7.034085				14
Combined School Tax Rate	mills		13.092170				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		20.126255				17
Total Tax Rate	mills		23.028145				18
Ratio of Local and School Tax to Total	dec.		0.873985				19
Total tax net of state credit	mills		21.308778				20
Net Local and School Tax Rate	mills		18.623554				21
Utility Plant, Jan. 1	\$	9,004,902	9,004,902				22
Materials & Supplies	\$	10,795	10,795				23
Subtotal	\$	9,015,697	9,015,697				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	9,015,697	9,015,697				26
Assessment Ratio	dec.		0.890000				27
Assessed Value	\$	8,023,970	8,023,970				28
Net Local & School Rate	mills		18.623554				29
Tax Equiv. Computed for Current Year	\$	149,435	149,435				30
Tax Equivalent per 1994 PSC Report	\$	78,428					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	149,435					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 \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, 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)	2,038		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)	211,211		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	213,249	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	131,240		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	242,843	4,800	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	10,106		20
Total Pumping Plant	384,189	4,800	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	6,061		23
Total Water Treatment Plant	6,061	0	

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

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)		300	2,338	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)		(7,835)	203,376	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	(7,535)	205,714	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)	14,378	28,230	145,092	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)	50,173	(343)	197,127	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)	2,628		7,478	20
Total Pumping Plant	67,179	27,887	349,697	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			6,061	23
Total Water Treatment Plant	0	0	6,061	

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 \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, 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)	45,250		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	975,446		26
Transmission and Distribution Mains (343)	2,082,301	260,460	27
Fire Mains (344)	0		28
Services (345)	302,403	110,433	29
Meters (346)	337,778	39,787	30
Hydrants (348)	167,299	28,521	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	3,910,477	439,201	
GENERAL PLANT			
Land and Land Rights (389)	0		33
Structures and Improvements (390)	0		34
Office Furniture and Equipment (391)	0		35
Computer Equipment (391.1)	34,433		36
Transportation Equipment (392)	63,110		37
Stores Equipment (393)	0		38
Tools, Shop and Garage Equipment (394)	23,010		39
Laboratory Equipment (395)	7,865		40
Power Operated Equipment (396)	30,754		41
Communication Equipment (397)	37,404		42
SCADA Equipment (397.1)	0		43
Miscellaneous Equipment (398)	11,961		44
Other Tangible Property (399)	0		45
Total General Plant	208,537	0	
Total utility plant in service directly assignable	4,722,513	444,001	
Common Utility Plant Allocated to Water Department	0		46
Total utility plant in service	4,722,513	444,001	

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)			45,250 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)		(16,309)	959,137 26
Transmission and Distribution Mains (343)	21,583		2,321,178 27
Fire Mains (344)			0 28
Services (345)	2,340		410,496 29
Meters (346)	1,414		376,151 30
Hydrants (348)	2,000		193,820 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	27,337	(16,309)	4,306,032
GENERAL PLANT			
Land and Land Rights (389)			0 33
Structures and Improvements (390)			0 34
Office Furniture and Equipment (391)			0 35
Computer Equipment (391.1)	2,628		31,805 36
Transportation Equipment (392)	2,144	(2,471)	58,495 37
Stores Equipment (393)			0 38
Tools, Shop and Garage Equipment (394)	13,238		9,772 39
Laboratory Equipment (395)	1,216		6,649 40
Power Operated Equipment (396)	10,035	9,383	30,102 41
Communication Equipment (397)	5,585	(4,972)	26,847 42
SCADA Equipment (397.1)			0 43
Miscellaneous Equipment (398)	4,747		7,214 44
Other Tangible Property (399)			0 45
Total General Plant	39,593	1,940	170,884
Total utility plant in service directly assignable	134,109	5,983	5,038,388
Common Utility Plant Allocated to Water Department			0 46
Total utility plant in service	134,109	5,983	5,038,388

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 \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, 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	31,000	4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	0	31,000	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	0		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

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

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			31,000 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	31,000
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

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

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, 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	10,000	24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	255,659	16,309	26
Transmission and Distribution Mains (343)	2,947,376	60,984	27
Fire Mains (344)	0		28
Services (345)	664,583	29,869	29
Meters (346)	0		30
Hydrants (348)	414,771	5,160	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	4,282,389	122,322	
GENERAL PLANT			
Land and Land Rights (389)	0		33
Structures and Improvements (390)	0		34
Office Furniture and Equipment (391)	0		35
Computer Equipment (391.1)	0		36
Transportation Equipment (392)	0		37
Stores Equipment (393)	0		38
Tools, Shop and Garage Equipment (394)	0		39
Laboratory Equipment (395)	0		40
Power Operated Equipment (396)	0		41
Communication Equipment (397)	0		42
SCADA Equipment (397.1)	0		43
Miscellaneous Equipment (398)	0		44
Other Tangible Property (399)	0		45
Total General Plant	0	0	
Total utility plant in service directly assignable	4,282,389	153,322	
Common Utility Plant Allocated to Water Department	0		46
Total utility plant in service	4,282,389	153,322	

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)			10,000 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			271,968 26
Transmission and Distribution Mains (343)			3,008,360 27
Fire Mains (344)			0 28
Services (345)			694,452 29
Meters (346)			0 30
Hydrants (348)			419,931 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	4,404,711
GENERAL PLANT			
Land and Land Rights (389)			0 33
Structures and Improvements (390)			0 34
Office Furniture and Equipment (391)			0 35
Computer Equipment (391.1)			0 36
Transportation Equipment (392)			0 37
Stores Equipment (393)			0 38
Tools, Shop and Garage Equipment (394)			0 39
Laboratory Equipment (395)			0 40
Power Operated Equipment (396)			0 41
Communication Equipment (397)			0 42
SCADA Equipment (397.1)			0 43
Miscellaneous Equipment (398)			0 44
Other Tangible Property (399)			0 45
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	4,435,711
Common Utility Plant Allocated to Water Department			0 46
Total utility plant in service	0	0	4,435,711

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

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

Sources of Water Supply					
Month	Purchased Water Gallons (000's)	Surface Water Gallons (000's)	Ground Water Gallons (000's)	Total Gallons All Methods (000's)	
(a)	(b)	(c)	(d)	(e)	
January			18,281	18,281	1
February			15,456	15,456	2
March			15,765	15,765	3
April			19,085	19,085	4
May			17,965	17,965	5
June			17,758	17,758	6
July			19,728	19,728	7
August			18,364	18,364	8
September			15,932	15,932	9
October			16,502	16,502	10
November			15,509	15,509	11
December			17,530	17,530	12
Total annual pumpage	0	0	207,875	207,875	
Less: Water sold				192,554	13
Volume pumped but not sold				15,321	14
Volume sold as a percent of volume pumped				93%	15
Volume used for water production, water quality and system maintenance				6,300	16
Volume related to equipment/system malfunction				405	17
Non-utility volume NOT included in water sales				102	18
Total volume not sold but accounted for				6,807	19
Volume pumped but unaccounted for				8,514	20
Percent of water lost				4%	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.)				1,134	24
Date of maximum: 4/18/2006					25
Cause of maximum:					26
Lawn Watering					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				370	27
Date of minimum: 11/4/2006					28
Total KWH used for pumping for the year				280,899	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)	
5412 LONG STREET	Well #1	560	10	576,000	Yes	1
5001 NORTH AUTUMN	Well #3	700	18	1,440,000	Yes	2
5703 BIRD SONG COURT	Well #4	800	20	1,440,000	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 #1	WELL #3	WELL #4	1
Location	5412 LONG STREET	5001 N. AUTUMN	5703 BIRD SONG COURT	2
Purpose	P	P	P	3
Destination	D	D	D	4
Pump Manufacturer	LAYNE	AMERICAN TURBINE	JOHNSON	5
Year Installed	1971	1996	1990	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	500	1,000	1,000	8
Pump Motor or Standby Engine Mfr	GENERAL ELECTRIC	US ELECTRIC MOTOR	GENERAL ELECTRIC	9 10
Year Installed	1971	1996	1990	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	40	125	100	13

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

RESERVOIRS, STANDPIPES & WATER TREATMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	#1	#2	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET	ET	3
Year constructed	1975	2000	4
Primary material (earthen, steel, concrete, other)	STEEL	STEEL	5
Elevation difference in feet (See Headnote 3.)	99	121	6
Total capacity in gallons (actual)	500,000	750,000	7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID	LIQUID	9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE	WELLHOUSE	10
Filters, type (gravity, pressure, other, none)	NONE	NONE	11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	2.9000	2.9000	12
Is a corrosion control chemical used (yes, no)?	N	N	13
Is water fluoridated (yes, no)?	Y	Y	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)	
M	D	1.000	400	0	0	0	400	1
M	D	2.000	0	0	0	0	0	2
M	D	6.000	73,668	299	65	0	73,902	3
M	D	8.000	72,410	2,502	1,427	0	73,485	4
M	D	10.000	38,272	935	935	0	38,272	5
M	D	12.000	19,040	24	0	0	19,064	6
Total Within Municipality			203,790	3,760	2,427	0	205,123	
Total Utility			203,790	3,760	2,427	0	205,123	

WATER SERVICES

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

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.625	1,565	0	0	0	1,565		1
M	1.000	684	67	26	0	725		2
M	1.250	4	0	0	0	4		3
M	1.500	43	0	0	0	43		4
M	2.000	60	6	0	0	66		5
M	3.000	3	0	0	0	3		6
M	4.000	10	0	0		10		7
M	6.000	10	0	0		10		8
M	8.000	15	0	0		15		9
Total Utility		2,394	73	26	0	2,441	0	

METERS

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

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	2,812	31	13	5	2,835	231	1
1.000	64	4	5	8	71	14	2
1.500	49	0	1	2	50	1	3
2.000	20	1	1	0	20	1	4
3.000	8	0	0	0	8	5	5
4.000	1	0	0	0	1	1	6
6.000	1	0	0	0	1	1	7
8.000	1	0	0	0	1	1	8
10.000	1	0	0	0	1	0	9
Total:	2,957	36	20	15	2,988	255	

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	2,567	152	0	7	0	109	2,835	1
1.000	0	55	0	7	0	9	71	2
1.500	0	31	0	4	0	15	50	3
2.000	0	14	0	5	0	1	20	4
3.000	0	1	0	3	3	1	8	5
4.000	0	0	0	1	0	0	1	6
6.000	0	0	0	1	0	0	1	7
8.000	0	0	0	1	0	0	1	8
10.000	0	0	0	1	0	0	1	9
Total:	2,567	253	0	30	3	135	2,988	

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	436	32	6		462	2
Total Fire Hydrants	436	32	6	0	462	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

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

Number of hydrants operated during year:	467
Number of distribution system valves end of year:	755
Number of distribution valves operated during year:	276

WATER OPERATING SECTION FOOTNOTES

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

Please explain amounts in Account 474 in excess of \$5,000, including like items grouped. Please provide, for example, a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Done.

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 25%, but not less \$5,000, please explain.

- 650 - Tower painting was performed in 2005.
 - 930 - Allocations of shared expenses increased in 2006.
 - 651 - Main repairs increased due to the hiring of a person intended to perform main repairs.
-

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

Developed CPRs by looking at historical records and adjusted balances to what is actually in service

If Additions, Account 300 (or 300.1), is nonzero, please explain.

Developed CPRs by looking at historical records and adjusted balances to what is actually in service

If Retirements, Account 300 (or 300.1), is nonzero, please explain.

Developed CPRs by looking at historical records and adjusted balances to what is actually in service

If Retirements for Accounts OTHER than 316, 343, 345, 346 or 348 exceed \$50,000, please explain.

Developed CPRs by looking at historical records and adjusted balances to what is actually in service

If Adjustments for any account are nonzero, please explain.

Developed CPRs by looking at historical records and adjusted balances to what is actually in service

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.

\$60,984 funded by Developer . \$26,665 was funded using TIF and the remainder was financed using utility funds

Water Services (Page W-18)

Explain all reported Adjustments.

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

\$29,869 was funded by the developer, \$3053 was funded by TIF and the remaining was financed using utility funds

WATER OPERATING SECTION FOOTNOTES

Water Services (Page W-18)

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

The Director of Public works confirmed there are no utility owned services not in use at year end

Meters (Page W-19)

Explain all reported adjustments.

Adjustments needed to reconcile to actual amount of meters on-hand as of year end

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

The utility tests 5/8" and 1" meters according to PSC 185.761. The larger meters are tested per PSC 185.76.

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

yes

If 6-inch or larger meters in commercial, industrial or public authority classifications have not been tested, please explain.

Per discussion with Allan- The 10" was not tested because they could not get the valves to hold so they could isolate the meter. There hope is to test it in 2007.

Hydrants and Distribution System Valves (Page W-20)

General footnotes

the remaining of the valves plan to be tested in 2007
