



3015 (02-02-05)

ANNUAL REPORT

OF

Name: PHILLIPS MUNICIPAL WATER WORKS

Principal Office: 174 SOUTH EYDER AVENUE
P.O. BOX 21
PHILLIPS, WI 54555

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: PHILLIPS MUNICIPAL WATER WORKS

Utility Address: 174 SOUTH EYDER AVENUE

P.O. BOX 21

PHILLIPS, WI 54555

When was utility organized? 1/1/1924

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MR JOHN MARTWICK

Title: UTILITY SUPERINTENDENT

Office Address:

P.O. BOX 21

PHILLIPS, WI 54555-0021

Telephone: (715) 339 - 4186

Fax Number: (715) 339 - 3265

E-mail Address: cityofphillips@pctcnet.net

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

Name: EARL ENGELSON, CPA

Title: PARTNER

Office Address: ENGELSON & ASSOCIATES, LTD

3317 MORMON COULEE ROAD

P.O. BOX 452

LA CROSSE, WI 54601

Telephone: (608) 788 - 2181

Fax Number: (608) 788 - 3162

E-mail Address: earl@eacpas.psemail.com

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

Name: JEFFREY FAHL

Title: MAYOR

Office Address:

P.O. BOX 21

PHILLIPS, WI 54555

Telephone: (715) 339 - 3125

Fax Number:

E-mail Address: phillips.mayor@pctcnet.net

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: EARL ENGELSON, CPA

Title: PARTNER

Office Address: ENGELSON & ASSOCIATES, LTD
3317 MORMON COULEE ROAD
P.O. BOX 452
LA CROSSE, WI 54601

Telephone: (608) 788 - 2181

Fax Number: (608) 788 - 3162

E-mail Address: earl@eacpas.psemail.com

Date of most recent audit report: 4/2/2007

Period covered by most recent audit: 01/01/2006-12/31/2006

Names and titles of utility management including manager or superintendent:

Name: JOHN MARTWICK

Title: UTILITY MANAGER

Office Address:

P.O. BOX 21
PHILLIPS, WI 54555

Telephone: (715) 339 - 4186

Fax Number: (715) 339 - 3265

E-mail Address: cityofphillips@pctcnet.net

Name of utility commission/committee: BOARD OF PUBLIC WORKS

Names of members of utility commission/committee:

MR JEFFREY FAHL, MAYOR
MS LINDA JOHNSON, 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:

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)	351,374	332,950	1
Operating Expenses:			
Operation and Maintenance Expense (401)	228,502	199,330	2
Depreciation Expense (403)	48,348	44,252	3
Amortization Expense (404)	0	0	4
Taxes (408)	68,951	62,354	5
Total Operating Expenses	345,801	305,936	
Net Operating Income	5,573	27,014	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	5,573	27,014	
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)	46,024	37,462	9
Miscellaneous Nonoperating Income (421)	(14,127)	(20,776)	10
Total Other Income	31,897	16,686	
Total Income	37,470	43,700	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(17,692)	(17,692)	11
Other Income Deductions (426)	19,651	19,842	12
Total Miscellaneous Income Deductions	1,959	2,150	
Income Before Interest Charges	35,511	41,550	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	86,625	91,181	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)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	86,625	91,181	
Net Income	(51,114)	(49,631)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	2,512,653	2,508,930	19
Balance Transferred from Income (433)	(51,114)	(49,631)	20
Miscellaneous Credits to Surplus (434)	0	123,519	21
Miscellaneous Debits to Surplus--Debit (435)	0	70,165	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)	2,461,539	2,512,653	

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	351,374		351,374	1
Total (Acct. 400):	351,374	0	351,374	
Operation and Maintenance Expense (401):				
Derived	228,502		228,502	2
Total (Acct. 401):	228,502	0	228,502	
Depreciation Expense (403):				
Derived	48,348		48,348	3
Total (Acct. 403):	48,348	0	48,348	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	68,951		68,951	5
Total (Acct. 408):	68,951	0	68,951	
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:	5,573	0	5,573	
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 ON TIF DISTRICT ADVANCES	1,424	0	1,424	10
BANK AND LGIP INTEREST	44,600	0	44,600	11
Total (Acct. 419):	46,024	0	46,024	

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
Contributed Plant - Water	[REDACTED]		0 12
SEWER PLANT INCOME	(14,127)	0	(14,127) 13
Total (Acct. 421):	(14,127)	0	(14,127)
TOTAL OTHER INCOME:	31,897	0	31,897

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(17,692)	[REDACTED]	(17,692) 14
NONE	0	0	0 15
Total (Acct. 425):	(17,692)	0	(17,692)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	[REDACTED]	19,651	19,651 16
NONE	0	0	0 17
Total (Acct. 426):	0	19,651	19,651
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(17,692)	19,651	1,959

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	86,625	[REDACTED]	86,625 18
Total (Acct. 427):	86,625	0	86,625
Amortization of Debt Discount and Expense (428):			
NONE	0	[REDACTED]	0 19
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0	[REDACTED]	0 20
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0	[REDACTED]	0 21
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0	[REDACTED]	0 22
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 23
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	86,625	0	86,625
NET INCOME:	(31,463)	(19,651)	(51,114)
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	(169,815)	2,682,468	2,512,653 24
Total (Acct. 216):	(169,815)	2,682,468	2,512,653
Balance Transferred from Income (433):			
Derived	(31,463)	(19,651)	(51,114) 25
Total (Acct. 433):	(31,463)	(19,651)	(51,114)
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 26
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 27
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 28
Total (Acct. 436)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	(201,278)	2,662,817	2,461,539

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	351,374	0	0	0	351,374	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify: NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	351,374	0	0	0	351,374	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	3,667,456	3,392,936	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	971,995	964,091	2
Net Utility Plant	2,695,461	2,428,845	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	6,300,998	5,948,254	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	1,751,684	1,628,213	4
Net Nonutility Property	4,549,314	4,320,041	
Investment in Municipality (123)	0	0	5
Other Investments (124)	6,236	8,693	6
Special Funds (125)	0	0	7
Total Other Property and Investments	4,555,550	4,328,734	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	44,090	78,546	8
Temporary Cash Investments (132)	452,729	1,098,329	9
Notes Receivable (141)	25,889	25,889	10
Customer Accounts Receivable (142)	93,658	114,030	11
Other Accounts Receivable (143)	137,957	116,689	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	2,648	24,550	14
Materials and Supplies (150)	9,970	10,972	15
Prepayments (165)	7,120	0	16
Other Current and Accrued Assets (170)		0	17
Total Current and Accrued Assets	774,061	1,469,005	
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	8,025,072	8,226,584	

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)	2,692,624	2,692,624	21
Appropriated Earned Surplus (215)		0	22
Unappropriated Earned Surplus (216)	2,461,539	2,512,653	23
Total Proprietary Capital	5,154,163	5,205,277	
LONG-TERM DEBT			
Bonds (221)	2,481,748	2,619,904	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	2,481,748	2,619,904	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	27,128	19,631	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)	0	0	30
Taxes Accrued (236)	335	263	31
Interest Accrued (237)	26,185	26,803	32
Other Current and Accrued Liabilities (238)	34,743	36,244	33
Total Current and Accrued Liabilities	88,391	82,941	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0	0	35
Other Deferred Credits (253)	300,770	318,462	36
Total Deferred Credits	300,770	318,462	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	8,025,072	8,226,584	

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	3,392,936	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	2,294,671	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	1,372,785	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	3,667,456	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)	593,269	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	378,726	0	0	0	12
Total Accumulated Provision	971,995	0	0	0	
Net Utility Plant	2,695,461	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)	570,561				570,561	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	48,348				48,348	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	193				193	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	48,541	0	0	0	48,541	16
Debits during year						17
Book cost of plant retired	25,833				25,833	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	25,833	0	0	0	25,833	25
Balance end of year (110.1)	593,269	0	0	0	593,269	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)	393,530				393,530	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	19,651				19,651	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	19,651	0	0	0	19,651	16
Debits during year						17
Book cost of plant retired	34,455				34,455	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	34,455	0	0	0	34,455	25
Balance end of year (110.1)	378,726	0	0	0	378,726	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

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

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	5,948,254	418,424	65,680	6,300,998	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	5,948,254	418,424	65,680	6,300,998	
Less accum. prov. depr. & amort. (122)	1,628,213	189,151	65,680	1,751,684	3
Net Nonutility Property	4,320,041	229,273	0	4,549,314	

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	6,209	8,034
Sewer utility	3,761	2,938
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	9,970	10,972

**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	2,692,624	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>2,692,624</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)	
FIRST WISCONSIN TRUST REVENUE	07/15/1998	07/15/2018	4.76%	730,000	1
CLEAN WATER FUND REVENUE BOND	05/01/2001	05/01/2021	2.78%	1,751,748	2
Total Bonds (Account 221):				2,481,748	

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	263	1
Accruals:		
Charged water department expense	63,226	2
Charged electric department expense		3
Charged sewer department expense	7,565	4
Other (explain):		
NONE		5
Total Accruals and other credits	70,791	
Taxes paid during year:		
County, state and local taxes	57,000	6
Social Security taxes	13,475	7
PSC Remainder Assessment	244	8
Other (explain):		
NONE		9
Total payments and other debits	70,719	
Balance end of year	335	

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)					
CLEAN WATER FUND BOND ISSUE	8,419	45,659	37,321	16,757	1
FIRST WISCONSIN TRUST BOND	18,384	40,966	49,922	9,428	2
Subtotal	26,803	86,625	87,243	26,185	
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	26,803	86,625	87,243	26,185	

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 RECEIVABLE	6,236	2
Total (Acct. 124):	6,236	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
ADVANCE TO TIF DISTRICTS FOR CONSTRUCTION	25,889	4
Total (Acct. 141):	25,889	
Customer Accounts Receivable (142):		
Water	93,658	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	93,658	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	122,325	9
Merchandising, jobbing and contract work		10
Other (specify):		
INTEREST RECEIVABLE TIF DISTRICT ADVANCES	15,632	11
Total (Acct. 143):	137,957	
Receivables from Municipality (145):		
DUE FROM MUNICIPALITY	2,648	12
Total (Acct. 145):	2,648	
Prepayments (165):		
HEALTH INSURANCE	7,120	13
Total (Acct. 165):	7,120	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	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)	
Payables to Municipality (233):		
NONE		16
Total (Acct. 233):	0	
Other Deferred Credits (253):		
Regulatory Liability	300,770	17
NONE		18
Total (Acct. 253):	300,770	

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)	2,140,183	0	0	0	2,140,183	1
Materials and Supplies	7,121	0	0	0	7,121	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	581,915	0	0	0	581,915	4
Customer Advances for Construction					0	5
Regulatory Liability	309,616	0	0	0	309,616	6
NONE					0	7
Average Net Rate Base	1,255,773	0	0	0	1,255,773	
Net Operating Income	5,573	0	0	0	5,573	8
Net Operating Income as a percent of						
Average Net Rate Base	0.44%	N/A	N/A	N/A	0.44%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FULL-TIME EMPLOYEES (FTE)

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

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

Industry (a)	FTE (b)	
Water	1.5	1
Electric		2
Gas		3
Sewer	1.5	4

**REGULATORY LIABILITY - PRE-2003 HISTORICAL
ACCUMULATED DEPRECIATION ON CONTRIBUTED UTILITY
PLANT (253)**

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Balance First of Year	318,462	0	0	0	318,462	1
Add credits during year:						
NONE					0	2
Deduct charges:						
Miscellaneous Amortization (425)	17,692	0	0	0	17,692	3
Other (specify):						
NONE					0	4
Balance End of Year	300,770	0	0	0	300,770	

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.

Other Accounts Receivable (143) is made up of the following:

\$122,325 for sewer customer receivables

\$ 15,632 for interest receivable on advances to TIF Districts which will be recoverable by the utility. Interest is accrued at 5.5% per annum.

Receivables from Municipality (145) is made up of the following:

\$2,648 due from general fund for utility special assessment receivables that the general fund collected through tax roll process.

Signature Page (Page ii)

General footnotes

ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Phillips Municipal Water Works
Phillips, Wisconsin

We have compiled the balance sheet of Phillips Municipal Water Works as of December 31, 2006 and 2005, and the related income and earned surplus statements for the years then ended included in the accompanying Municipal Utility Annual Report in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the Municipal Annual Report.

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

These financial statements and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

Engelson & Associates, Ltd.
April 2, 2007
La Crosse, Wisconsin

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	349,191	331,767	1
Total Sales of Water	349,191	331,767	
Other Operating Revenues			
Forfeited Discounts (470)	1,718	855	2
Other Water Revenues (474)	465	328	3
Total Other Operating Revenues	2,183	1,183	
Total Operating Revenues	351,374	332,950	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	119,979	117,478	4
General Operating Expenses (680-690)	108,523	81,852	5
Total Operation and Maintenance Expenses	228,502	199,330	
Other Operating Expenses			
Depreciation Expense (403)	48,348	44,252	6
Amortization Expense (404)		0	7
Taxes (408)	68,951	62,354	8
Total Other Operating Expenses	117,299	106,606	
Total Operating Expenses	345,801	305,936	
NET OPERATING INCOME	5,573	27,014	

WATER OPERATING REVENUES - SALES OF WATER

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

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial	1	42	60	2
Industrial				3
Total Unmetered Sales to General Customers (460)	1	42	60	
Metered Sales to General Customers (461)				
Residential	635	20,922	92,421	4
Commercial	181	17,690	50,389	5
Industrial	20	43,848	60,053	6
Total Metered Sales to General Customers (461)	836	82,460	202,863	
Private Fire Protection Service (462)	10		7,948	7
Public Fire Protection Service (463)	1		125,042	8
Other Sales to Public Authorities (464)	21	4,309	13,278	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	869	86,811	349,191	

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)	125,042	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)	125,042	
Forfeited Discounts (470):		
Customer late payment charges	1,718	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	1,718	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	115	7
Other (specify): MISC CHARGES	350	8
Total Other Water Revenues (474)	465	

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)	67,500	64,871	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	18,498	18,977	3
Chemicals (630)	20,005	17,520	4
Supplies and Expenses (640)	7,825	7,713	5
Repairs of Water Plant (650)	6,151	8,397	6
Transportation Expenses (660)	0	0	7
Total Plant Operation and Maintenance Expenses	119,979	117,478	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	19,118	18,761	8
Office Supplies and Expenses (681)	2,179	1,103	9
Outside Services Employed (682)	31,643	7,162	10
Insurance Expense (684)	5,783	4,393	11
Employees Pensions and Benefits (686)	48,953	50,423	12
Regulatory Commission Expenses (688)	0	0	13
Miscellaneous General Expenses (689)	847	10	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	108,523	81,852	
Total Operation and Maintenance Expenses	228,502	199,330	

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		62,725	56,217	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		644	552	2
Net property tax equivalent		62,081	55,665	
Social Security		6,626	6,398	3
PSC Remainder Assessment		244	291	4
Other (specify): NONE			0	5
Total tax expense		68,951	62,354	

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			Price				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.208823				3
County tax rate	mills		6.152275				4
Local tax rate	mills		11.665133				5
School tax rate	mills		8.890440				6
Voc. school tax rate	mills		2.242287				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		29.158958				10
Less: state credit	mills		1.108419				11
Net tax rate	mills		28.050539				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		11.665133				14
Combined School Tax Rate	mills		11.132727				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		22.797860				17
Total Tax Rate	mills		29.158958				18
Ratio of Local and School Tax to Total	dec.		0.781848				19
Total tax net of state credit	mills		28.050539				20
Net Local and School Tax Rate	mills		21.931245				21
Utility Plant, Jan. 1	\$	3,392,936	3,392,936				22
Materials & Supplies	\$	8,034	8,034				23
Subtotal	\$	3,400,970	3,400,970				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	3,400,970	3,400,970				26
Assessment Ratio	dec.		0.840953				27
Assessed Value	\$	2,860,056	2,860,056				28
Net Local & School Rate	mills		21.931245				29
Tax Equiv. Computed for Current Year	\$	62,725	62,725				30
Tax Equivalent per 1994 PSC Report	\$						31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	62,725					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)	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)	13,538		4
Structures and Improvements (311)	711		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	115,025		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	129,274	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	121,335		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	21,640		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	9,151		20
Total Pumping Plant	152,126	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	326,330		23
Total Water Treatment Plant	326,330	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)			13,538	4
Structures and Improvements (311)			711	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			115,025	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	129,274	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			121,335	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			21,640	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			9,151	20
Total Pumping Plant	0	0	152,126	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			326,330	23
Total Water Treatment Plant	0	0	326,330	

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)	7,076		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	150,100		26
Transmission and Distribution Mains (343)	867,409	318,908	27
Fire Mains (344)	0		28
Services (345)	79,117		29
Meters (346)	69,808		30
Hydrants (348)	178,454	15,900	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,351,964	334,808	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	1,399		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	1,089		38
Other Tangible Property (390)	23,514		39
Total General Plant	26,002	0	
Total utility plant in service directly assignable	1,985,696	334,808	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,985,696	334,808	

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)			7,076 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			150,100 26
Transmission and Distribution Mains (343)	22,970		1,163,347 27
Fire Mains (344)			0 28
Services (345)			79,117 29
Meters (346)			69,808 30
Hydrants (348)	2,863		191,491 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	25,833	0	1,660,939
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			1,399 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			1,089 38
Other Tangible Property (390)			23,514 39
Total General Plant	0	0	26,002
Total utility plant in service directly assignable	25,833	0	2,294,671
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	25,833	0	2,294,671

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

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

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

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

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

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

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

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	0		26
Transmission and Distribution Mains (343)	1,308,458		27
Fire Mains (344)	0		28
Services (345)	98,782		29
Meters (346)	0		30
Hydrants (348)	0		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,407,240	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	0		38
Other Tangible Property (390)	0		39
Total General Plant	0	0	
Total utility plant in service directly assignable	1,407,240	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,407,240	0	

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

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)	34,455		1,274,003 27
Fire Mains (344)			0 28
Services (345)			98,782 29
Meters (346)			0 30
Hydrants (348)			0 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	34,455	0	1,372,785
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	34,455	0	1,372,785
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	34,455	0	1,372,785

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			8,499	8,499	1
February			8,083	8,083	2
March			8,649	8,649	3
April			9,127	9,127	4
May			9,596	9,596	5
June			10,110	10,110	6
July			11,402	11,402	7
August			9,083	9,083	8
September			7,272	7,272	9
October			8,021	8,021	10
November			6,972	6,972	11
December			6,617	6,617	12
Total annual pumpage	0	0	103,431	103,431	
Less: Water sold				86,811	13
Volume pumped but not sold				16,620	14
Volume sold as a percent of volume pumped				84%	15
Volume used for water production, water quality and system maintenance				4,147	16
Volume related to equipment/system malfunction				12	17
Non-utility volume NOT included in water sales				90	18
Total volume not sold but accounted for				4,249	19
Volume pumped but unaccounted for				12,371	20
Percent of water lost				12%	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.)				819	24
Date of maximum: 4/10/2006					25
Cause of maximum:					26
Hydrant flushing.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				75	27
Date of minimum: 12/30/2006					28
Total KWH used for pumping for the year				227,460	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)	
ACTIVE	4	45	10	250,000	Yes	1
ACTIVE	5	46	10	250,000	Yes	2
ACTIVE	6	70	8	342,320	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)	1
Identification	4	5	6	1
Location	CITY	CITY	CITY	2
Purpose	S	S	P	3
Destination	T	T	T	4
Pump Manufacturer	LAYNE	LAYNE	LAYNE	5
Year Installed	1964	1971	1979	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	280	230	410	8
Pump Motor or Standby Engine Mfr	FAIRBANKS	GE	US ELECTRIC	9 10
Year Installed	1964	1971	1979	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	25	30	50	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	14
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)	S	S	3
Year constructed	1924	1971	4
Primary material (earthen, steel, concrete, other)	STEEL	STEEL	5
Elevation difference in feet (See Headnote 3.)	118	144	6
Total capacity in gallons (actual)	100,000	250,000	7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	GAS	GAS	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.)	0.0000	0.0000	12
Is a corrosion control chemical used (yes, no)?	Y	Y	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	2.000	460	0	0	0	460	1
M	D	4.000	166	0	0	0	166	2
M	S	4.000	23	0	0	0	23	3
M	D	6.000	38,735	25	3,706	0	35,054	4
M	S	6.000	41,455	0	0	0	41,455	5
M	T	6.000	60	0	0	0	60	6
M	D	8.000	5,310	3,681	0	0	8,991	7
M	S	8.000	4,658	0	0	0	4,658	8
M	T	8.000	42	0	0	0	42	9
M	D	10.000	6,084	0	0	0	6,084	10
M	S	10.000	808	0	0	0	808	11
M	D	12.000	13,995	0	0	0	13,995	12
M	S	12.000	5,519	0	0	0	5,519	13
M	D	14.000	8,943	0	0	0	8,943	14
Total Within Municipality			126,258	3,706	3,706	0	126,258	
Total Utility			126,258	3,706	3,706	0	126,258	

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)	
A	0.625	682	0	0	0	682		1
A	0.750	1	0	0	0	1		2
A	1.000	1,222	0	0	0	1,222		3
A	1.500	190	0	0	0	190		4
A	2.000	132	0	0	0	132		5
A	3.000	5	0	0	0	5		6
A	6.000	1	0	0	0	1		7
Total Utility		2,233	0	0	0	2,233	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	762	0	0	0	762	76	1
0.750	1	0	0	0	1	0	2
1.000	32	0	0	0	32	11	3
1.500	15	0	0	0	15	5	4
2.000	24	0	0	0	24	5	5
3.000	6	0	0	0	6	0	6
Total:	840	0	0	0	840	97	

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	590	136	12	5	0	19	762	1
0.750	0	1	0	0	0	0	1	2
1.000	1	17	1	3	0	10	32	3
1.500	1	9	1	2	0	2	15	4
2.000	1	10	6	5	0	2	24	5
3.000	0	1	1	3	0	1	6	6
Total:	593	174	21	18	0	34	840	

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	158	6	6		158	2
Total Fire Hydrants	158	6	6	0	158	
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:	158
Number of distribution system valves end of year:	150
Number of distribution valves operated during year:	75

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.

Outside Services Employed (682): Previous year was down significantly from prior years and current year had a large increase due to a significant repair on well #6 and pump which required extensive labor from outside services.

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.

Water main additions are financed by the City's utility fund.

Water Services (Page W-18)

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

All utility-owned services are verified in use.

Meters (Page W-19)

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

A two-inch meter is used for residential purposes at an apartment building.

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.
