



3015 (02-02-05)

ANNUAL REPORT

OF

Name: PHELPS SANITARY DISTRICT NO. 1

Principal Office: P.O. BOX 227
PHELPS, WI 54554

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: PHELPS SANITARY DISTRICT NO. 1

Utility Address: P.O. BOX 227
PHELPS, WI 54554

When was utility organized? 4/3/1969

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: PATRICIA A. GILL

Title: BOOKKEEPER

Office Address:

2789 ST LOUIS RD
PHELPS, WI 54554

Telephone: (715) 545 - 3409

Fax Number: (715) 545 - 3409

E-mail Address: gill@newnorth.net

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

Name: RANDALL H. BEARD, CPA

Title: PARTNER

Office Address: WIPFLI LLP

43A WEST DAVENPORT STREET
RHINELANDER, WI 54501

Telephone: (715) 369 - 1040

Fax Number: (715) 369 - 5407

E-mail Address: RBEARD@WIPFLI.COM

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

Name: JOHN BARRON

Title: PRESIDENT

Office Address:

4373 MAPLE CIRCLE
PHELPS, WI 54554

Telephone: (715) 545 - 2844

Fax Number: () -

E-mail Address:

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

IDENTIFICATION AND OWNERSHIP

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

Name: RANDALL H. BEARD, CPA

Title: PARTNER

Office Address: WIPFLI LLP
43A WEST DAVENPORT STREET
RHINELANDER, WI 54501

Telephone: (715) 369 - 1040

Fax Number: (715) 369 - 5407

E-mail Address: RBEARD@WIPFLI.COM

Date of most recent audit report: 3/30/2007

Period covered by most recent audit: JANUARY 1, 2006 - DECEMBER 31, 2006

Names and titles of utility management including manager or superintendent:

Name: MR BUD PETRICK

Title: MANAGER

Office Address:
P.O. BOX 227
PHELPS, WI 54554

Telephone: (715) 545 - 3222

Fax Number: (715) 545 - 3222

E-mail Address: LPETRICK@NEWNORTH.NET

Name of utility commission/committee: n/a

Names of members of utility commission/committee:

- MR JAMES ADAMS, SECRETARY
- MR JOHN BARRON, PRESIDENT
- MR TIM BARRON, TREASURER

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: 4/3/1969

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: () - EXT

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)	62,493	75,897	1
Operating Expenses:			
Operation and Maintenance Expense (401)	47,455	40,879	2
Depreciation Expense (403)	19,571	19,412	3
Amortization Expense (404)	1,937	2,763	4
Taxes (408)	1,475	1,336	5
Total Operating Expenses	70,438	64,390	
Net Operating Income	(7,945)	11,507	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(7,945)	11,507	
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)	4,170	2,868	9
Miscellaneous Nonoperating Income (421)	211,196	33,059	10
Total Other Income	215,366	35,927	
Total Income	207,421	47,434	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(4,989)	(4,989)	11
Other Income Deductions (426)	7,898	6,512	12
Total Miscellaneous Income Deductions	2,909	1,523	
Income Before Interest Charges	204,512	45,911	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	54,202	56,804	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	54,202	56,804	
Net Income	150,310	(10,893)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	365,474	376,367	19
Balance Transferred from Income (433)	150,310	(10,893)	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	515,784	365,474	

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	62,493		62,493	1
Total (Acct. 400):	62,493	0	62,493	
Operation and Maintenance Expense (401):				
Derived	47,455		47,455	2
Total (Acct. 401):	47,455	0	47,455	
Depreciation Expense (403):				
Derived	19,571		19,571	3
Total (Acct. 403):	19,571	0	19,571	
Amortization Expense (404):				
Derived	1,937		1,937	4
Total (Acct. 404):	1,937	0	1,937	
Taxes (408):				
Derived	1,475		1,475	5
Total (Acct. 408):	1,475	0	1,475	
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:	(7,945)	0	(7,945)	
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 AND DIVIDEND INCOME	4,170	0	4,170	10
Total (Acct. 419):	4,170	0	4,170	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water		194,940	194,940	11

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
SEWER NET INCOME	36,299	(20,043)	16,256 12
Total (Acct. 421):	36,299	174,897	211,196
TOTAL OTHER INCOME:	40,469	174,897	215,366

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(4,989)		(4,989) 13
NONE	0	0	0 14
Total (Acct. 425):	(4,989)	0	(4,989)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		7,898	7,898 15
NONE	0	0	0 16
Total (Acct. 426):	0	7,898	7,898
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(4,989)	7,898	2,909

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	54,202		54,202 17
Total (Acct. 427):	54,202	0	54,202
Amortization of Debt Discount and Expense (428):			
NONE	0		0 18
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 19
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0		0 20
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0		0 21
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

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

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 22
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	54,202	0	54,202
NET INCOME:	(16,689)	166,999	150,310
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	(360,377)	725,851	365,474 23
Total (Acct. 216):	(360,377)	725,851	365,474
Balance Transferred from Income (433):			
Derived	(16,689)	166,999	150,310 24
Total (Acct. 433):	(16,689)	166,999	150,310
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 25
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 26
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 27
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 28
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	(377,066)	892,850	515,784

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):					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	62,493	0	0	0	62,493	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:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	62,493	0	0	0	62,493	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,170,539	973,255	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	335,751	308,138	2
Net Utility Plant	834,788	665,117	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	1,546,886	1,562,140	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	637,856	596,418	4
Net Nonutility Property	909,030	965,722	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	74,252	71,480	7
Total Other Property and Investments	983,282	1,037,202	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	30,696	45,018	8
Temporary Cash Investments (132)	0	0	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	6,484	5,144	11
Other Accounts Receivable (143)	20,582	19,922	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	62,850	21,439	14
Materials and Supplies (150)	4,838	2,434	15
Prepayments (165)	4,888	4,588	16
Other Current and Accrued Assets (170)	0	0	17
Total Current and Accrued Assets	130,338	98,545	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	6,439	8,375	20
Total Deferred Debits	6,439	8,375	
Total Assets and Other Debits	1,954,847	1,809,239	

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)	30,000	0	21
Appropriated Earned Surplus (215)	0	0	22
Unappropriated Earned Surplus (216)	515,784	365,474	23
Total Proprietary Capital	545,784	365,474	
LONG-TERM DEBT			
Bonds (221)	960,400	987,700	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	109,169	135,677	26
Total Long-Term Debt	1,069,569	1,123,377	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	8,814	4,257	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)	0	0	30
Taxes Accrued (236)	3,627	1,335	31
Interest Accrued (237)	8,274	9,351	32
Other Current and Accrued Liabilities (238)	1,514	1,284	33
Total Current and Accrued Liabilities	22,229	16,227	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0	0	35
Other Deferred Credits (253)	317,265	304,161	36
Total Deferred Credits	317,265	304,161	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)	0		37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	1,954,847	1,809,239	

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	973,255	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)	567,006	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	603,314	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)	219				8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	1,170,539	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)	206,879	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	128,872	0	0	0	12
Total Accumulated Provision	335,751	0	0	0	
Net Utility Plant	834,788	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)	187,164				187,164	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	19,571				19,571	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	324				324	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	19,895	0	0	0	19,895	16
Debits during year						17
Book cost of plant retired	180				180	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	180	0	0	0	180	25
Balance end of year (110.1)	206,879	0	0	0	206,879	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)	120,974				120,974	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	7,898				7,898	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	7,898	0	0	0	7,898	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)	128,872	0	0	0	128,872	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	1,562,140	511	15,765	1,546,886	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	1,562,140	511	15,765	1,546,886	
Less accum. prov. depr. & amort. (122)	596,418	41,438		637,856	3
Net Nonutility Property	965,722	(40,927)	15,765	909,030	

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	4,838	2,434
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	4,838	2,434

**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)				
N/A				1
Total			<u><u>0</u></u>	
Unamortized premium on debt (251)				
N/A				2
Total			<u><u>0</u></u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	0	1
Changes during year (explain):		
2006 TAX LEVY	30,000	2
Balance end of year	<u><u>30,000</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)	
1-REVENUE BONDS-GMAC CREDIT-02	09/26/1972	01/01/2012	5.00%	90,000	1
2-REVENUE BONDS-GMAC CREDIT-05	12/29/1983	01/01/2018	5.00%	193,000	2
4-REVENUE BONDS-USDA-06	06/20/1996	06/01/2036	4.88%	112,600	3
3-REVENUE BONDS-USDA-01	06/20/1996	06/01/2036	4.88%	300,100	4
2-REVENUE BONDS-USDA-03	06/20/1996	06/01/2036	4.88%	117,800	5
1-REVENUE BONDS-USDA-05	06/20/1996	06/01/2036	4.88%	146,900	6
Total Bonds (Account 221):				960,400	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
SEWER LAGOON CONSTRUCTION LOAN	01/26/2000	03/15/2009	5.25%	59,981	1
PUBLIC LANDS LOAN	01/26/2000	03/15/2009	5.25%	49,188	2
Total for Account 224				109,169	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	1,335	1
Accruals:		
Charged water department expense	1,413	2
Charged electric department expense		3
Charged sewer department expense	3,297	4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>4,710</u>	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	2,356	7
PSC Remainder Assessment	62	8
Other (explain):		
NONE		9
Total payments and other debits	<u>2,418</u>	
Balance end of year	<u><u>3,627</u></u>	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
GMAC CREDIT BONDS	0	15,050	15,050	0	1
USDA BONDS	2,748	33,212	33,250	2,710	2
Subtotal	2,748	48,262	48,300	2,710	
Advances from Municipality (223)					
NONE	0			0	3
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
SEWER LAGOON CONSTRUCTION LOAN-USDA	3,983	3,379	4,096	3,266	4
PUBLIC LANDS LOAN	2,620	2,561	2,883	2,298	5
Subtotal	6,603	5,940	6,979	5,564	
Notes Payable (231)					
NONE	0			0	6
Subtotal	0	0	0	0	
Total	9,351	54,202	55,279	8,274	

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):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
GMAC CREDIT RESERVE	36,000	3
USDA RESERVE - WATER	20,492	4
USDA RESERVE - SEWER	17,760	5
Total (Acct. 125):	74,252	
Notes Receivable (141):		
NONE		6
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	6,484	7
Electric		8
Sewer (Regulated)		9
Other (specify):		
NONE		10
Total (Acct. 142):	6,484	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	20,582	11
Merchandising, jobbing and contract work		12
Other (specify):		
NONE		13
Total (Acct. 143):	20,582	
Receivables from Municipality (145):		
MUNICIPALITY RECEIVABLES	62,850	14
Total (Acct. 145):	62,850	
Prepayments (165):		
INSURANCE	4,888	15
Total (Acct. 165):	4,888	
Extraordinary Property Losses (182):		
NONE		16
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Other Deferred Debits (183):		
WATER TANK REPAIRS	6,439	17
Total (Acct. 183):	6,439	
Payables to Municipality (233):		
NONE		18
Total (Acct. 233):	0	
Other Deferred Credits (253):		
Regulatory Liability	84,816	19
REGULATORY LIABILITY - SEWER	202,449	20
TAX LEVY PAID IN 2007	30,000	21
Total (Acct. 253):	317,265	

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)	565,943	0	0	0	565,943	1
Materials and Supplies	3,636	0	0	0	3,636	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation (110.1)	197,021	0	0	0	197,021	4
Customer Advances for Construction					0	5
Regulatory Liability	87,310	0	0	0	87,310	6
					0	7
Average Net Rate Base	285,248	0	0	0	285,248	
Net Operating Income	(7,945)	0	0	0	(7,945)	8
Net Operating Income as a percent of Average Net Rate Base	-2.79%	N/A	N/A	N/A	-2.79%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FULL-TIME EMPLOYEES (FTE)

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

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

Industry (a)	FTE (b)	
Water	0.5	1
Electric		2
Gas		3
Sewer	1.2	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	89,805	0	0	0	89,805	1
Add credits during year:					0	2
Deduct charges:						
Miscellaneous Amortization (425)	4,989	0	0	0	4,989	3
Other (specify):					0	4
Balance End of Year	84,816	0	0	0	84,816	

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-18)

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

Other Deferred Debits (183): PSC authorized repair and painting of water tower on 11/1/2001.

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): This account contains sewer customer receivable account balances which are < 180 days old.

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

Tax levy - \$30,000

Delinquent water/sewer bills - \$32,850

Delinquent accounts (>180 days) put on the property tax rolls are a receivable from the municipality.

Identification and Ownership - Contacts (Page iv)

General footnotes

ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Phelps Sanitary District No. 1
Phelps, Wisconsin

We have compiled the balance sheet of Phelps Sanitary District 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.

Wipfli LLP

March 30, 2007
Rhineland, Wisconsin

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	58,450	57,654	1
Total Sales of Water	58,450	57,654	
Other Operating Revenues			
Forfeited Discounts (470)	1,747	439	2
Other Water Revenues (474)	2,296	17,804	3
Total Other Operating Revenues	4,043	18,243	
Total Operating Revenues	62,493	75,897	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	27,928	26,770	4
General Operating Expenses (680-690)	19,527	14,109	5
Total Operation and Maintenance Expenses	47,455	40,879	
Other Operating Expenses			
Depreciation Expense (403)	19,571	19,412	6
Amortization Expense (404)	1,937	2,763	7
Taxes (408)	1,475	1,336	8
Total Other Operating Expenses	22,983	23,511	
Total Operating Expenses	70,438	64,390	
NET OPERATING INCOME	(7,945)	11,507	

WATER OPERATING REVENUES - SALES OF WATER

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

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	160	5,751	27,400	4
Commercial	23	3,788	8,747	5
Industrial	1	327	713	6
Total Metered Sales to General Customers (461)	184	9,866	36,860	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		19,002	8
Other Sales to Public Authorities (464)	9	529	2,588	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	194	10,395	58,450	

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)	
N/A	N/A			1
Total		0	0	

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)	19,002	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)	19,002	
Forfeited Discounts (470):		
Customer late payment charges	1,747	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	1,747	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	573	7
Other (specify): CELLULAR ONE TOWER RENTAL	1,256	8
MISCELLANEOUS	467	9
Total Other Water Revenues (474)	2,296	

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)	17,243	12,383	1
Purchased Water (610)	0	0	2
Fuel or Power Purchased for Pumping (620)	4,435	4,252	3
Chemicals (630)	1,717	4,001	4
Supplies and Expenses (640)	2,716	3,026	5
Repairs of Water Plant (650)	276	1,718	6
Transportation Expenses (660)	1,541	1,390	7
Total Plant Operation and Maintenance Expenses	27,928	26,770	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	3,786	3,382	8
Office Supplies and Expenses (681)	2,154	2,045	9
Outside Services Employed (682)	6,226	2,053	10
Insurance Expense (684)	3,273	3,227	11
Employees Pensions and Benefits (686)	3,934	3,380	12
Regulatory Commission Expenses (688)	0	0	13
Miscellaneous General Expenses (689)	154	22	14
Uncollectible Accounts (690)	0	0	15
Total General Operating Expenses	19,527	14,109	
Total Operation and Maintenance Expenses	47,455	40,879	

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			0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			0	2
Net property tax equivalent		0	0	
Social Security		1,413	1,234	3
PSC Remainder Assessment		62	102	4
Other (specify): NONE			0	5
Total tax expense		1,475	1,336	

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)	4,499		4
Structures and Improvements (311)	146,159		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	141,002		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	17,778		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	309,438	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	12,968		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	123,733		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	4,359		20
Total Pumping Plant	141,060	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	26,690		23
Total Water Treatment Plant	26,690	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)			4,499	4
Structures and Improvements (311)			146,159	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			141,002	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			17,778	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	309,438	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			12,968	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			123,733	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			4,359	20
Total Pumping Plant	0	0	141,060	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			26,690	23
Total Water Treatment Plant	0	0	26,690	

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)	436		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	24,963		26
Transmission and Distribution Mains (343)	19,246		27
Fire Mains (344)	0		28
Services (345)	2,973		29
Meters (346)	13,108		30
Hydrants (348)	1,632		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	62,358	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	10,556		34
Office Furniture and Equipment (372)	132		35
Computer Equipment (372.1)	4,027		36
Transportation Equipment (373)	7,657		37
Other General Equipment (379)	2,963	2,305	38
Other Tangible Property (390)	0		39
Total General Plant	25,335	2,305	
Total utility plant in service directly assignable	564,881	2,305	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	564,881	2,305	

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)			436 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			24,963 26
Transmission and Distribution Mains (343)			19,246 27
Fire Mains (344)			0 28
Services (345)			2,973 29
Meters (346)	180		12,928 30
Hydrants (348)			1,632 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	180	0	62,178
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			10,556 34
Office Furniture and Equipment (372)			132 35
Computer Equipment (372.1)			4,027 36
Transportation Equipment (373)			7,657 37
Other General Equipment (379)			5,268 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	27,640
Total utility plant in service directly assignable	180	0	567,006
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	180	0	567,006

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)	329,521	175,440	27
Fire Mains (344)	0		28
Services (345)	50,910		29
Meters (346)	0		30
Hydrants (348)	27,943	19,500	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	408,374	194,940	
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	408,374	194,940	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	408,374	194,940	

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)			504,961 27
Fire Mains (344)			0 28
Services (345)			50,910 29
Meters (346)			0 30
Hydrants (348)			47,443 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	603,314
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	603,314
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	603,314

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			889	889	1
February			871	871	2
March			976	976	3
April			1,430	1,430	4
May			1,141	1,141	5
June			1,251	1,251	6
July			1,548	1,548	7
August			2,401	2,401	8
September			1,117	1,117	9
October			1,095	1,095	10
November			895	895	11
December			1,191	1,191	12
Total annual pumpage	0	0	14,805	14,805	
Less: Water sold				10,395	13
Volume pumped but not sold				4,410	14
Volume sold as a percent of volume pumped				70%	15
Volume used for water production, water quality and system maintenance				123	16
Volume related to equipment/system malfunction				1,187	17
Non-utility volume NOT included in water sales				0	18
Total volume not sold but accounted for				1,310	19
Volume pumped but unaccounted for				3,100	20
Percent of water lost				21%	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.)				178	24
Date of maximum: 5/25/2006					25
Cause of maximum:					26
Water main break					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				22	27
Date of minimum: 12/25/2006					28
Total KWH used for pumping for the year				72,014	29
If water is purchased: Vendor Name: NONE					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)	
TOWN WELL NO. 1	.001	75	10	432,000	Yes	1
TOWN WELL NO. 2	.002	101	10	518,000	Yes	2

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)
N/A	n/a	0	0	0

1

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	.001	.002		1
Location	2513 HIGHWAY 17	4320 DEERSKIN RD.		2
Purpose	P	P		3
Destination	D	D		4
Pump Manufacturer	BERKLEY	GOULDS		5
Year Installed	1972	1996		6
Type	OTHER	OTHER		7
Actual Capacity (gpm)	300	400		8
Pump Motor or Standby Engine Mfr	HOLLOWSHAFT	US ELECTRIC MOTORS		9 10
Year Installed	1972	1996		11
Type	ELECTRIC	ELECTRIC		12
Horsepower	25	30		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	ET		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		3
Year constructed	1972		4
Primary material (earthen, steel, concrete, other)	STEEL		5
Elevation difference in feet (See Headnote 3.)	154		6
Total capacity in gallons (actual)	60,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		10
Filters, type (gravity, pressure, other, none)	NONE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.0000		12
Is a corrosion control chemical used (yes, no)?	Y		13
Is water fluoridated (yes, no)?	N		14

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	1.000	100	0	0	0	100	1
A	D	6.000	5,665	0	0	0	5,665	2
M	D	6.000	3,285	0	0	0	3,285	3
P	D	6.000	5,417	1,460	0	0	6,877	4
A	D	8.000	7,035	0	0	0	7,035	5
M	D	8.000	420	0	0	0	420	6
P	D	8.000	644	5,400	0	0	6,044	7
P	S	8.000	254	0	0	0	254	8
A	D	10.000	7,540	0	0	0	7,540	9
A	S	10.000	87	0	0	0	87	10
Total Within Municipality			30,447	6,860	0	0	37,307	
Total Utility			30,447	6,860	0	0	37,307	

WATER SERVICES

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

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	173	0	0	0	173	25	1
M	1.000	34	0	0	0	34	5	2
P	1.000	18	0	0	0	18	1	3
M	2.000	2	0	0	0	2	2	4
Total Utility		227	0	0	0	227	33	

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	197	0	3	0	194	27	1
0.750	5	0	0	0	5	2	2
1.000	7	0	0	0	7	1	3
1.500	3	0	0	0	3	0	4
2.000	3	0	0	0	3	0	5
3.000	2	0	0	0	2	0	6
8.000	2	0	0	0	2	0	7
Total:	219	0	3	0	216	30	

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	161	15	0	6	4	8	194	1
0.750	1	1	0	1	0	2	5	2
1.000	2	2	1	1	0	1	7	3
1.500	0	2	1	0	0	0	3	4
2.000	0	2	0	0	0	1	3	5
3.000	0	0	0	2	0	0	2	6
8.000	0	0	0	2	0	0	2	7
Total:	164	22	2	12	4	12	216	

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	50	10			60	2
Total Fire Hydrants	50	10	0	0	60	
Flushing Hydrants						
	2				2	3
Total Flushing Hydrants	2	0	0	0	2	

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:	32
Number of distribution system valves end of year:	64
Number of distribution valves operated during year:	36

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.

Chemicals (630) - Chemical expense has returned to normal levels. In prior year, chemical expenses were elevated due to a pollutant found in one of the wells, which has been resolved.

Salaries and Wages (600) - Salaries increased due to Board approved hiring of additional .7 FTE of operator staffing.

Outside Services Employed (682): Increased due to five main breaks which occurred in 2006.

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 were financed 100% by subdivision developers and utility customers.

Meters (Page W-19)

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

Yes. Both 8" station meters were tested in 2005.

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

The two 8" meters are station meters, which are required to be tested at least once every 2 years.
