



3015 (02-02-05)

ANNUAL REPORT

OF

Name: MELLEN WATER UTILITY

Principal Office: 102 E. BENNET
P.O. BOX 706
MELLEN, WI 54506

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: MELLEEN WATER UTILITY

Utility Address: 102 E. BENNET
P.O. BOX 706
MELLEEN, WI 54506

When was utility organized? 1/1/1962

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: TINA GILGEN
Title: CLERK/TREASURER

Office Address:
102 E. BENNET
P.O. BOX 706
MELLEEN, WI 54501

Telephone: (715) 274 - 2136

Fax Number: (715) 274 - 3707

E-mail Address:

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

Name: RANDALL H BEARD
Title: CPA

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

Telephone: (715) 369 - 1040 EXT

Fax Number: (715) 369 - 5407

E-mail Address: rbeard@wipfli.com

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

Name: HOWARD PETERS
Title: HEAD OF UTILITY COMMISSION

Office Address:
102 E BENNET
MELLEEN, WI 54506

Telephone: (715) 274 - 2136

Fax Number:

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

IDENTIFICATION AND OWNERSHIP

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

Name: RANDALL H BEARD

Title: CPA

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

Telephone: (715) 369 - 1040

Fax Number: (715) 369 - 5407

E-mail Address: rbeard@wipfli.com

Date of most recent audit report: 3/18/2007

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

Names and titles of utility management including manager or superintendent:

Name: MITCH MESKO JR.

Title:

Office Address:
102 EAST BENNET
P.O. BOX 706
MELLEEN, WI 54506

Telephone: (715) 274 - 3707

Fax Number: (715) 274 - 2136

E-mail Address:

Name of utility commission/committee: MELLEEN MUNICIPAL WATER UTILITY

Names of members of utility commission/committee:

GEORGE LAZORIK
KEITH MARKEE
HOWARD PETERS

Is sewer service rendered by the utility? YES

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes? NO

Date of Ordinance:

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	120,971	97,258	1
Operating Expenses:			
Operation and Maintenance Expense (401)	80,493	80,747	2
Depreciation Expense (403)	8,251	8,011	3
Amortization Expense (404)	0	0	4
Taxes (408)	19,320	19,463	5
Total Operating Expenses	108,064	108,221	
Net Operating Income	12,907	(10,963)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	12,907	(10,963)	
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)	197	364	9
Miscellaneous Nonoperating Income (421)	132,497	1,200	10
Total Other Income	132,694	1,564	
Total Income	145,601	(9,399)	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(5,870)	(5,870)	11
Other Income Deductions (426)	4,963	4,843	12
Total Miscellaneous Income Deductions	(907)	(1,027)	
Income Before Interest Charges	146,508	(8,372)	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	116	0	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	116	0	
Net Income	146,392	(8,372)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	240,761	248,453	19
Balance Transferred from Income (433)	146,392	(8,372)	20
Miscellaneous Credits to Surplus (434)	0	680	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)	387,153	240,761	

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	120,971		120,971	1
Total (Acct. 400):	120,971	0	120,971	
Operation and Maintenance Expense (401):				
Derived	80,493		80,493	2
Total (Acct. 401):	80,493	0	80,493	
Depreciation Expense (403):				
Derived	8,251		8,251	3
Total (Acct. 403):	8,251	0	8,251	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	19,320		19,320	5
Total (Acct. 408):	19,320	0	19,320	
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:	12,907	0	12,907	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST INCOME	197	0	197	10
Total (Acct. 419):	197	0	197	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water		1,200	1,200	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):			
US ARMY CORPS GRANTS	0	131,297	131,297 12
Total (Acct. 421):	0	132,497	132,497
TOTAL OTHER INCOME:	197	132,497	132,694

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(5,870)	█	(5,870) 13
NONE	0	0	0 14
Total (Acct. 425):	(5,870)	0	(5,870)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	█	4,963	4,963 15
NONE	0	0	0 16
Total (Acct. 426):	0	4,963	4,963
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(5,870)	4,963	(907)

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	116	█	116 17
Total (Acct. 427):	116	0	116
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:	116	0	116
NET INCOME:	18,858	127,534	146,392
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	57,366	183,395	240,761 23
Total (Acct. 216):	57,366	183,395	240,761
Balance Transferred from Income (433):			
Derived	18,858	127,534	146,392 24
Total (Acct. 433):	18,858	127,534	146,392
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
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	76,224	310,929	387,153

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

- | |
|---|
| <p>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.</p> <p>2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).</p> |
|---|

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	120,971	0	0	0	120,971	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	120,971	0	0	0	120,971	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	837,931	681,427	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	248,981	263,334	2
Net Utility Plant	588,950	418,093	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	200	200	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	200	200	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	200	200	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	19,521	24,952	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	23,668	16,468	11
Other Accounts Receivable (143)	2,362	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	1,992	1,111	14
Materials and Supplies (150)	6,352	8,063	15
Prepayments (165)	596	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	54,491	50,594	
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	643,641	468,887	

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)	105,861	105,861	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	387,153	240,761	23
Total Proprietary Capital	493,014	346,622	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	24,454	0	26
Total Long-Term Debt	24,454	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)			28
Payables to Municipality (233)	9,662	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	16,601	16,601	31
Interest Accrued (237)	116	0	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	26,379	16,601	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	99,794	105,664	36
Total Deferred Credits	99,794	105,664	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	643,641	468,887	

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	681,427	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)	424,214	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	413,717	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	837,931	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)	142,014	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	106,967	0	0	0	12
Total Accumulated Provision	248,981	0	0	0	
Net Utility Plant	588,950	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)	135,367				135,367	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	8,251				8,251	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	743				743	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	8,994	0	0	0	8,994	16
Debits during year						17
Book cost of plant retired	2,347				2,347	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	2,347	0	0	0	2,347	25
Balance end of year (110.1)	142,014	0	0	0	142,014	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)	127,967				127,967	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	4,963				4,963	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	4,963	0	0	0	4,963	16
Debits during year						17
Book cost of plant retired	25,963				25,963	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	25,963	0	0	0	25,963	25
Balance end of year (110.1)	106,967	0	0	0	106,967	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	0			0	1
Other (specify):					
Land and land rights	200			200	2
Total Nonutility Property (121)	200	0	0	200	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	200	0	0	200	

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 1
Other					0	0 2
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility	6,352	8,063 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	<u>6,352</u>	<u>8,063</u>

**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	105,861	1
Changes during year (explain):		2
Balance end of year	105,861	

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)
-------------------------------------	------------------------------	------------------------------------	------------------------------	---

NONE

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)					
NORTHERN STATE BANK - HWY GG WATER	12/01/2006	12/01/2011	5.75%	24,454	1
Total for Account 224				24,454	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	16,601	1
Accruals:		
Charged water department expense	19,320	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	19,320	
Taxes paid during year:		
County, state and local taxes	16,601	6
Social Security taxes	2,640	7
PSC Remainder Assessment	79	8
Other (explain):		
NONE		9
Total payments and other debits	19,320	
Balance end of year	16,601	

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)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NORTHERN STATE BANK - HWY GG WATER	0	116	0	116	3
Subtotal	0	116	0	116	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	0	116	0	116	

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):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	23,668	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	23,668	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
GRANT FUND RECEIVABLES FOR HWY GG PROJECT	2,362	11
Total (Acct. 143):	2,362	
Receivables from Municipality (145):		
RECEIVABLE FROM MUNICIPALITY	1,992	12
Total (Acct. 145):	1,992	
Prepayments (165):		
PREPAID HEALTH INSURANCE	596	13
Total (Acct. 165):	596	
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):		
PAYABLES TO SEWER	8,570	16
PAYABLES TO MUNICIPALITY	1,092	17
Total (Acct. 233):	9,662	
Other Deferred Credits (253):		
Regulatory Liability	99,794	18
NONE		19
Total (Acct. 253):	99,794	

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)	398,629	0	0	0	398,629	1
Materials and Supplies	7,207	0	0	0	7,207	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation (110.1)	138,690	0	0	0	138,690	4
Customer Advances for Construction					0	5
Regulatory Liability	102,729	0	0	0	102,729	6
					0	7
Average Net Rate Base	164,417	0	0	0	164,417	
Net Operating Income	12,907	0	0	0	12,907	8
Net Operating Income as a percent of Average Net Rate Base	7.85%	N/A	N/A	N/A	7.85%	

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	1.4	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	105,664	0	0	0	105,664	1
Add credits during year:					0	2
Deduct charges:						
Miscellaneous Amortization (425)	5,870	0	0	0	5,870	3
Other (specify):					0	4
Balance End of Year	99,794	0	0	0	99,794	

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): Grant funds due from Army Corps of Engineers at 12/31/06 for Hwy GG main reconstruction project.

Payables to Municipality (233): Amount payable to sewer district for actual water vs. sewer breakdown of Ashland County Highway GG project expenses.

Identification and Ownership - Contacts (Page iv)

General footnotes

ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Mellen Water Utility
Mellen, Wisconsin

We have compiled the balance sheet of Melen Water Utility as of December 31, 2006 and 2005, and the related income and earned surplus statements for the years then ended included in the accompanying 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 Utility 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 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 19, 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)	116,717	94,592	1
Total Sales of Water	116,717	94,592	
Other Operating Revenues			
Forfeited Discounts (470)	774	430	2
Other Water Revenues (474)	3,480	2,236	3
Total Other Operating Revenues	4,254	2,666	
Total Operating Revenues	120,971	97,258	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	50,132	45,092	4
General Operating Expenses (680-690)	30,361	35,655	5
Total Operation and Maintenance Expenses	80,493	80,747	
Other Operating Expenses			
Depreciation Expense (403)	8,251	8,011	6
Amortization Expense (404)		0	7
Taxes (408)	19,320	19,463	8
Total Other Operating Expenses	27,571	27,474	
Total Operating Expenses	108,064	108,221	
NET OPERATING INCOME	12,907	(10,963)	

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	318	12,838	44,658	4
Commercial	36	4,360	11,457	5
Industrial	7	9,237	14,440	6
Total Metered Sales to General Customers (461)	361	26,435	70,555	
Private Fire Protection Service (462)	4		4,455	7
Public Fire Protection Service (463)	1		38,133	8
Other Sales to Public Authorities (464)	13	969	3,574	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	379	27,404	116,717	

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)	38,133	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)	38,133	
Forfeited Discounts (470):		
Customer late payment charges	774	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	774	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	611	7
Other (specify):		
HYDRANT RENTAL	1,221	8
RESALE & REIMBURSEMENTS	529	9
TURN ON FEES	1,040	10
WATER SUPPLY SALES	79	11
Total Other Water Revenues (474)	3,480	

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)	29,159	29,474	1
Purchased Water (610)	0	0	2
Fuel or Power Purchased for Pumping (620)	7,970	6,629	3
Chemicals (630)	3,915	3,188	4
Supplies and Expenses (640)	4,781	3,012	5
Repairs of Water Plant (650)	2,856	1,538	6
Transportation Expenses (660)	1,451	1,251	7
Total Plant Operation and Maintenance Expenses	50,132	45,092	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	6,436	6,970	8
Office Supplies and Expenses (681)	2,830	864	9
Outside Services Employed (682)	1,779	13,814	10
Insurance Expense (684)	7,619	3,680	11
Employees Pensions and Benefits (686)	9,717	8,082	12
Regulatory Commission Expenses (688)	0	0	13
Miscellaneous General Expenses (689)	1,980	2,245	14
Uncollectible Accounts (690)	0	0	15
Total General Operating Expenses	30,361	35,655	
Total Operation and Maintenance Expenses	80,493	80,747	

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		16,601	16,601	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		173	204	2
Net property tax equivalent		16,428	16,397	
Social Security		2,813	2,987	3
PSC Remainder Assessment		79	79	4
Other (specify): NONE			0	5
Total tax expense		19,320	19,463	

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			Ashland				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.201481				3
County tax rate	mills		5.351605				4
Local tax rate	mills		7.731605				5
School tax rate	mills		8.888148				6
Voc. school tax rate	mills		1.122469				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		23.295308				10
Less: state credit	mills		2.668395				11
Net tax rate	mills		20.626913				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		7.731605				14
Combined School Tax Rate	mills		10.010617				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		17.742222				17
Total Tax Rate	mills		23.295308				18
Ratio of Local and School Tax to Total	dec.		0.761622				19
Total tax net of state credit	mills		20.626913				20
Net Local and School Tax Rate	mills		15.709913				21
Utility Plant, Jan. 1	\$	681,427	681,427				22
Materials & Supplies	\$	8,063	8,063				23
Subtotal	\$	689,490	689,490				24
Less: Plant Outside Limits	\$	4,185	4,185				25
Taxable Assets	\$	685,305	685,305				26
Assessment Ratio	dec.		0.871600				27
Assessed Value	\$	597,312	597,312				28
Net Local & School Rate	mills		15.709913				29
Tax Equiv. Computed for Current Year	\$	9,384	9,384				30
Tax Equivalent per 1994 PSC Report	\$	16,601					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	16,601					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)	231		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)	25,795		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	26,026	0	
PUMPING PLANT			
Land and Land Rights (320)	1,973		12
Structures and Improvements (321)	16,809		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	17,174		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	175		20
Total Pumping Plant	36,131	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	1,144		23
Total Water Treatment Plant	1,144	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)			231	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)			25,795	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	26,026	
PUMPING PLANT				
Land and Land Rights (320)			1,973	12
Structures and Improvements (321)			16,809	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			17,174	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			175	20
Total Pumping Plant	0	0	36,131	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			1,144	23
Total Water Treatment Plant	0	0	1,144	

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)	150		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	16,765		26
Transmission and Distribution Mains (343)	180,881	44,207	27
Fire Mains (344)	0		28
Services (345)	18,719	4,833	29
Meters (346)	25,293	342	30
Hydrants (348)	48,733	4,135	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	290,541	53,517	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	1,185		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	7,156		37
Other General Equipment (379)	10,861		38
Other Tangible Property (390)	0		39
Total General Plant	19,202	0	
Total utility plant in service directly assignable	373,044	53,517	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	373,044	53,517	

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)			150 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			16,765 26
Transmission and Distribution Mains (343)			225,088 27
Fire Mains (344)			0 28
Services (345)			23,552 29
Meters (346)	473		25,162 30
Hydrants (348)	1,874		50,994 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	2,347	0	341,711
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			1,185 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			7,156 37
Other General Equipment (379)			10,861 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	19,202
Total utility plant in service directly assignable	2,347	0	424,214
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	2,347	0	424,214

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)	4,642		23
Total Water Treatment Plant	4,642	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)			4,642 23
Total Water Treatment Plant	0	0	4,642

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)	33,561		26
Transmission and Distribution Mains (343)	244,138	110,904	27
Fire Mains (344)	0		28
Services (345)	26,042	10,020	29
Meters (346)	0		30
Hydrants (348)	0	10,373	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	303,741	131,297	
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	308,383	131,297	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	308,383	131,297	

**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)			33,561 26
Transmission and Distribution Mains (343)	24,946		330,096 27
Fire Mains (344)			0 28
Services (345)	1,017		35,045 29
Meters (346)			0 30
Hydrants (348)			10,373 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	25,963	0	409,075
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	25,963	0	413,717
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	25,963	0	413,717

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			4,221	4,221	1
February			4,251	4,251	2
March			5,418	5,418	3
April			4,654	4,654	4
May			4,447	4,447	5
June			4,139	4,139	6
July			4,892	4,892	7
August			4,212	4,212	8
September			3,923	3,923	9
October			4,326	4,326	10
November			3,906	3,906	11
December			4,126	4,126	12
Total annual pumpage	0	0	52,515	52,515	
Less: Water sold				27,404	13
Volume pumped but not sold				25,111	14
Volume sold as a percent of volume pumped				52%	15
Volume used for water production, water quality and system maintenance				2,509	16
Volume related to equipment/system malfunction				584	17
Non-utility volume NOT included in water sales				347	18
Total volume not sold but accounted for				3,440	19
Volume pumped but unaccounted for				21,671	20
Percent of water lost				41%	21
If more than 25%, indicate causes:					22
Water leaks due to broken mains and construction projects.					
If more than 25%, state what action has been taken to reduce water loss:					23
Broken mains and leaks were repaired during 2006.					
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				274	24
Date of maximum: 7/11/2006					25
Cause of maximum:					26
Broken water main					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				14	27
Date of minimum: 9/27/2006					28
Total KWH used for pumping for the year				88,459	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)	
1942 DRILLED WELL	#2	40	4	216,000	Yes	1
1968 GRAVEL PARK	#3	88	16	504,000	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)
NONE				

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	#2	#3		1
Location	924 LAKE DRIVE	A STREET		2
Purpose	S	P		3
Destination	D	D		4
Pump Manufacturer	WEBTROL	LAYNE		5
Year Installed	1988	1968		6
Type	SUBMERSIBLE	VERTICAL TURBINE		7
Actual Capacity (gpm)	125	315		8
Pump Motor or Standby Engine Mfr	WEBTROL	U.S. ELECTRONIC		10
Year Installed	1988	1968		11
Type	ELECTRIC	ELECTRIC		12
Horsepower	10	25		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
Year Installed				23
Type				24
Horsepower				25
				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)	#1	#2	#3
Identification number or name						1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS						2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	S	S				3
Year constructed	1968	1968				4
Primary material (earthen, steel, concrete, other)	STEEL	STEEL				5
Elevation difference in feet (See Headnote 3.)	110	123				6
Total capacity in gallons (actual)	80,000	150,000				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.)		0.4000				12
Is a corrosion control chemical used (yes, no)?		N				13
Is water fluoridated (yes, no)?		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	1,808	0	0	0	1,808	1
M	D	4.000	4,874	78	78	0	4,874	2
M	D	6.000	20,900	95	95	0	20,900	3
M	D	8.000	8,977	2,483	2,483	0	8,977	4
M	D	10.000	8,692	0	0	0	8,692	5
Total Within Municipality			45,251	2,656	2,656	0	45,251	
Total Utility			45,251	2,656	2,656	0	45,251	

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	193	3	5	0	191	14	1
L	0.750	175	0	0	0	175		2
M	1.000	20	1	1	0	20		3
M	2.000	5	0	0	0	5		4
M	3.000	2	1	1	0	2		5
M	4.000	1	0	0	0	1		6
Total Utility		396	5	7	0	394	14	

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	409	0	7	0	402	33	1
1.000	7	0	0	0	7	0	2
1.250	2	0	0	0	2	0	3
1.500	1	0	0	0	1	0	4
2.000	5	1	1	0	5	2	5
3.000	3	0	0	0	3	1	6
4.000	1	0	0	0	1	0	7
Total:	428	1	8	0	421	36	

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	318	35	2	9	0	38	402	1
1.000	0	4	1	1	0	1	7	2
1.250	0	1	0	0	0	1	2	3
1.500	0	0	0	0	0	1	1	4
2.000	0	2	3	0	0	0	5	5
3.000	0	1	1	1	0	0	3	6
4.000	0	0	0	1	0	0	1	7
Total:	318	43	7	12	0	41	421	

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	1				1	1
Within Municipality	51	5	2		54	2
Total Fire Hydrants	52	5	2	0	55	
Flushing Hydrants						
	1				1	3
Total Flushing Hydrants	1	0	0	0	1	

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:	40
Number of distribution system valves end of year:	56
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.

Outside Services Employed (682): Increased in prior year due to DNR requirements for increased water testing. 2006 expenses have returned to 2004 levels.

Insurance Expense (684): Increased over prior year due to insurance audit expenses of \$2804 and workman's compensation adjustment of \$496.

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.

Highway GG project water main additions were financed 75% by US Army Corps of Engineers grant funding and financed 25% by the utility.

Meters (Page W-19)

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

On average, 10% of meters 1" or smaller are tested every year.

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
