

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

| | |
|--|---|
| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION WI0063 |
| | PERIOD ENDED December, 2006 (Prepared with Audited Data) |
| INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2. <i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.</i> | BORROWER NAME BAYFIELD ELEC COOP INC |

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Carl Melchiors

2/28/2007

DATE

APR 18 2007

**REGULATED ENERGY
 DIVISION**

PART A. STATEMENT OF OPERATIONS

| ITEM | YEAR-TO-DATE | | | THIS MONTH (d) |
|--|------------------|------------------|---------------|-------------------|
| | LAST YEAR (a) | THIS YEAR (b) | BUDGET (c) | |
| 1. Operating Revenue and Patronage Capital | 8,315,220 | 8,829,909 | 8,967,961 | 624,801 |
| 2. Power Production Expense | 0 | 0 | 0 | 0 |
| 3. Cost of Purchased Power | 3,697,535 | 4,327,728 | 4,380,289 | 416,226 |
| 4. Transmission Expense | 39,606 | 26,541 | 25,000 | (15,420) |
| 5. Distribution Expense - Operation | 195,563 | 202,753 | 216,520 | (7,935) |
| 6. Distribution Expense - Maintenance | 1,420,981 | 993,507 | 944,055 | 111,481 |
| 7. Customer Accounts Expense | 311,232 | 378,343 | 337,794 | 30,676 |
| 8. Customer Service and Informational Expense | 130,160 | 122,487 | 137,251 | 8,787 |
| 9. Sales Expense | 50,967 | 32,203 | 52,008 | 2,280 |
| 10. Administrative and General Expense | 793,538 | 853,392 | 806,326 | 96,580 |
| 11. Total Operation & Maintenance Expense (2 thru 10) | 6,639,582 | 6,936,954 | 6,899,243 | 642,675 |
| 12. Depreciation and Amortization Expense | 882,281 | 915,410 | 872,987 | 80,894 |
| 13. Tax Expense - Property & Gross Receipts | 146,122 | 133,819 | 151,539 | 12,289 |
| 14. Tax Expense - Other | 75,966 | 28,780 | 74,197 | 0 |
| 15. Interest on Long-Term Debt | 614,558 | 675,876 | 596,582 | 60,270 |
| 16. Interest Charged to Construction - Credit | (22,940) | (35,388) | (22,341) | (1,798) |
| 17. Interest Expense - Other | 23,087 | 5,518 | 1,538 | 2,325 |
| 18. Other Deductions | 12,075 | 8,000 | 0 | 8,000 |
| 19. Total Cost of Electric Service (11 thru 18) | 8,370,731 | 8,668,969 | 8,573,745 | 804,655 |
| 20. Patronage Capital & Operating Margins (1 minus 19) | (55,511) | 160,940 | 394,216 | (179,854) |
| 21. Non Operating Margins - Interest | 57,048 | 61,296 | 41,211 | 5,812 |
| 22. Allowance for Funds Used During Construction | 0 | 0 | 0 | 0 |
| 23. Income (Loss) from Equity Investments | 0 | 0 | 0 | 0 |
| 24. Non Operating Margins - Other | 150,346 | 81,186 | 132,495 | (1,110) |
| 25. Generation and Transmission Capital Credits | 129,914 | 186,069 | 138,149 | 34,245 |
| 26. Other Capital Credits and Patronage Dividends | 32,444 | 34,275 | 35,327 | 1,509 |
| 27. Extraordinary Items | 0 | 0 | 0 | 0 |
| 28. Patronage Capital or Margins (20 thru 27) | 314,241 | 523,766 | 741,398 | (139,398) |

| | |
|---|----------------------|
| USDA - RUS | BORROWER DESIGNATION |
| FINANCIAL AND STATISTICAL REPORT | WI0063 |
| INSTRUCTIONS - See RUS Bulletin 1717B-2 | PERIOD ENDED |
| | December, 2006 |

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
|---|------------------|------------------|---|------------------|------------------|
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 170 | 145 | 5. Miles Transmission | 0.00 | 0.00 |
| 2. Services Retired | 14 | 0 | 6. Miles Distribution - Overhead | 1,336.18 | 1,335.13 |
| 3. Total Services in Place | 8,899 | 9,044 | 7. Miles Distribution - Underground | 540.90 | 560.72 |
| 4. Idle Services (Exclude Seasonals) | 487 | 486 | 8. Total Miles Energized (5 + 6 + 7) | 1,877.08 | 1,895.85 |

PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
|---|------------|--|------------|
| 1. Total Utility Plant in Service | 32,231,720 | 29. Memberships..... | 38,650 |
| 2. Construction Work in Progress | 227,762 | 30. Patronage Capital..... | 6,388,037 |
| 3. Total Utility Plant (1 + 2) | 32,459,482 | 31. Operating Margins - Prior Years..... | 0 |
| 4. Accum. Provision for Depreciation and Amort | 14,731,369 | 32. Operating Margins - Current Year..... | 381,284 |
| 5. Net Utility Plant (3 - 4) | 17,728,113 | 33. Non-Operating Margins..... | 142,482 |
| 6. Non-Utility Property (Net) | 1,500 | 34. Other Margins and Equities..... | 39,530 |
| 7. Investments in Subsidiary Companies | 0 | 35. Total Margins & Equities (29 thru 34)..... | 6,989,983 |
| 8. Invest. in Assoc. Org. - Patronage Capital | 2,186,022 | 36. Long-Term Debt - RUS (Net)..... | 10,980,222 |
| 9. Invest. in Assoc. Org. - Other - General Funds | 0 | 37. Long-Term Debt - FFB - RUS Guaranteed..... | 0 |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds.. | 593,534 | 38. Long-Term Debt - Other - RUS Guaranteed..... | 0 |
| 11. Investments in Economic Development Projects | 512,359 | 39. Long-Term Debt Other (Net)..... | 3,115,770 |
| 12. Other Investments | 257,756 | 40. Long-Term Debt - RUS - Econ. Devel. (Net)..... | 0 |
| 13. Special Funds | 33,235 | 41. Payments - Unapplied | 0 |
| 14. Total Other Property & Investments (6 thru 13) ... | 3,584,406 | 42. Total Long-Term Debt (36 thru 40 - 41)..... | 14,095,992 |
| 15. Cash - General Funds | 295,288 | 43. Obligations Under Capital Leases - Noncurrent..... | 0 |
| 16. Cash - Construction Funds - Trustee | 0 | 44. Accumulated Operating Provisions and Asset Retirement Obligations.. | 526,151 |
| 17. Special Deposits | 0 | 45. Total Other Noncurrent Liabilities (43 + 44)..... | 526,151 |
| 18. Temporary Investments | 766,601 | 46. Notes Payable..... | 850,000 |
| 19. Notes Receivable (Net) | 65,429 | 47. Accounts Payable..... | 524,097 |
| 20. Accounts Receivable - Sales of Energy (Net) | 1,492,202 | 48. Consumers Deposits..... | 45,498 |
| 21. Accounts Receivable - Other (Net) | 295,654 | 49. Current Maturities Long-Term Debt..... | 599,416 |
| 22. Materials and Supplies - Electric & Other | 119,615 | 50. Current Maturities Long-Term Debt -Economic Development..... | 37,708 |
| 23. Prepayments | 65,921 | 51. Current Maturities Capital Leases..... | 0 |
| 24. Other Current and Accrued Assets | 3,411 | 52. Other Current and Accrued Liabilities..... | 322,576 |
| 25. Total Current and Accrued Assets (15 thru 24) | 3,104,121 | 53. Total Current & Accrued Liabilities (45 thru 52)..... | 2,379,295 |
| 26. Regulatory Assets | 0 | 54. Regulatory Liabilities..... | 0 |
| 27. Other Deferred Debits | 0 | 55. Other Deferred Credits..... | 425,219 |
| 28. Total Assets and Other Debits (5+14+25 thru 27).. | 24,416,640 | 56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55)..... | 24,416,640 |

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

WI0063

PERIOD ENDED

December, 2006

PART D. NOTES TO FINANCIAL STATEMENTS

In 1989 Bayfield Electric Cooperative established a Margin Stabilization Plan.

The 2006 effect of the plan was to defer revenues of \$172,000.00 in December 2006 to January 2007, which amount was amortized to January 2007 revenues/margins.

| USDA - RUS | | BORROWER DESIGNATION | | | | | |
|--|---|-----------------------------------|--------------------|---------------------------------|----------------------------|-------------------|----------------------------|
| FINANCIAL AND STATISTICAL REPORT | | WI0063 | | | | | |
| INSTRUCTIONS - See RUS Bulletin 1717B-2 | | PERIOD ENDED | | | | | |
| | | December, 2006 | | | | | |
| PART E. CHANGES IN UTILITY PLANT | | | | | | | |
| PLANT ITEM | BALANCE BEGINNING OF YEAR (a) | ADDITIONS (b) | RETIREMENTS (c) | ADJUSTMENTS AND TRANSFER (d) | BALANCE END OF YEAR (e) | | |
| 1. Distribution Plant | 26,014,950 | 2,131,091 | 161,679 | | 27,984,362 | | |
| 2. General Plant | 1,935,493 | 164,362 | 47,076 | | 2,052,779 | | |
| 3. Headquarters Plant | 711,059 | 45,223 | | | 756,282 | | |
| 4. Intangibles | 155 | | | | 155 | | |
| 5. Transmission Plant | 1,418,934 | | | | 1,418,934 | | |
| 6. All Other Utility Plant | 0 | 19,208 | | | 19,208 | | |
| 7. Total Utility Plant in Service (1 thru 6) | 30,080,591 | 2,359,884 | 208,755 | | 32,231,720 | | |
| 8. Construction Work in Progress | 683,033 | (455,271) | | | 227,762 | | |
| 9. TOTAL UTILITY PLANT (7 + 8) | 30,763,624 | 1,904,613 | 208,755 | | 32,459,482 | | |
| PART F. MATERIALS AND SUPPLIES | | | | | | | |
| ITEM | BALANCE BEGINNING OF YEAR (a) | PURCHASED (b) | SALVAGED (c) | USED (NET) (d) | SOLD (e) | ADJUSTMENT (f) | BALANCE END OF YEAR (g) |
| 1. Electric | 123,069 | 505,429 | | 452,444 | 55,816 | (623) | 119,615 |
| 2. Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PART G. SERVICE INTERRUPTIONS | | | | | | | |
| ITEM | AVERAGE HOURS PER CONSUMER BY CAUSE | | | | TOTAL (e) | | |
| | POWER SUPPLIER (a) | EXTREME STORM (b) | PREARRANGED (c) | ALL OTHER (d) | | | |
| 1. Present Year | .27 | 2.06 | .23 | 3.63 | 6.19 | | |
| 2. Five-Year Average | .53 | 2.88 | .26 | 1.89 | 5.56 | | |
| PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS | | | | | | | |
| 1. Number of Full Time Employees | 24 | 4. Payroll - Expensed | 817,815 | | | | |
| 2. Employee - Hours Worked - Regular Time | 48,238 | 5. Payroll - Capitalized | 391,294 | | | | |
| 3. Employee - Hours Worked - Overtime | 3,514 | 6. Payroll - Other | 257,657 | | | | |
| PART I. PATRONAGE CAPITAL | | | | | | | |
| ITEM | DESCRIPTION | THIS YEAR (a) | CUMULATIVE (b) | | | | |
| 1. Capital Credits - Distributions | a. General Retirements | 75,132 | 1,537,267 | | | | |
| | b. Special Retirements | | 207,498 | | | | |
| | c. Total Retirements (a + b) | 75,132 | 1,744,765 | | | | |
| 2. Capital Credits - Received | a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power | 39,911 | | | | | |
| | b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System | 22,240 | | | | | |
| | c. Total Cash Received (a + b) | 62,151 | | | | | |
| PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE | | | | | | | |
| 1. AMOUNT DUE OVER 60 DAYS | \$ 58,469 | 2. AMOUNT WRITTEN OFF DURING YEAR | \$ 13,090 | | | | |

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

WI0063

PERIOD ENDED

December, 2006

Part K. kWh PURCHASED AND TOTAL COST

| No | ITEM (a) | RUS USE ONLY SUPPLIER CODE (b) | kWh PURCHASED (c) | TOTAL COST (d) | AVERAGE COST (Cents/kWh) (e) | INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT (f) | INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES (g) |
|----|--|--------------------------------------|----------------------|-------------------|------------------------------------|---|---|
| 1 | Dairyland Power Cooperative (WI) (WI0064) | 4716 | 85,599,948 | 4,327,728 | 5.06 | | |
| | Total | | 85,599,948 | 4,327,728 | 5.06 | | |

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

WI0063

PERIOD ENDED

December, 2006

PART L. LONG-TERM LEASES

| No | NAME OF LESSOR (a) | TYPE OF PROPERTY (b) | RENTAL THIS YEAR (c) |
|-------|-----------------------|-------------------------|-------------------------|
| Total | | | |

| | | | |
|---|---------------------------------------|---|---|
| USDA - RUS | | BORROWER DESIGNATION WI0063 | |
| FINANCIAL AND STATISTICAL REPORT | | PERIOD ENDED December, 2006 | |
| INSTRUCTIONS - See RUS Bulletin 1717B-2 | | | |
| PART M. ANNUAL MEETING AND BOARD DATA | | | |
| 1. Date of Last Annual Meeting 6/10/2006 | 2. Total Number of Members 7,730 | 3. Number of Members Present at Meeting 167 | 4. Was Quorum Present? Y |
| 5. Number of Members Voting by Proxy or Mail 416 | 6. Total Number of Board Members 9 | 7. Total Amount of Fees and Expenses for Board Members \$ 97,805 | 8. Does Manager Have Written Contract? Y |

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

WI0063

PERIOD ENDED

December, 2006

PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

| No | ITEM | BALANCE END OF YEAR (a) | INTEREST (Billed This Year) (b) | PRINCIPAL (Billed This Year) (c) | TOTAL (Billed This Year) (d) |
|----|---|----------------------------|---------------------------------------|--|------------------------------------|
| 1 | Rural Utilities Service (Excludes RUS - Economic Development Loans) | 10,980,222 | 505,868 | 287,255 | 793,123 |
| 2 | National Rural Utilities Cooperative Finance Corporation | 2,899,843 | 175,768 | 273,850 | 449,618 |
| 3 | Bank for Cooperatives | | | | |
| 4 | Federal Financing Bank | | | | |
| 5 | RUS - Economic Development Loans | | | | |
| 6 | Payments Unapplied | | | | |
| 7 | DPC-EDL-Titus | | 930 | 11,399 | 12,329 |
| 8 | DPC-EDL-Progressive Dental | 2,948 | 342 | 2,740 | 3,082 |
| 9 | DPC-EDL-Hipsher | | 407 | 10,082 | 10,489 |
| 10 | DPC-EDL-Wee One's | 3,796 | 349 | 3,640 | 3,989 |
| 11 | DPC-EDL- Northland Vet | 9,183 | 1,323 | 8,390 | 9,713 |
| 12 | USDA-REDLG | 200,000 | | | |
| | Total | 14,095,992 | 684,987 | 597,356 | 1,282,343 |

| | |
|---|--------------------------------|
| USDA - RUS | BORROWER DESIGNATION WI0063 |
| FINANCIAL AND STATISTICAL REPORT | PERIOD ENDED December, 2006 |
| INSTRUCTIONS - See RUS Bulletin 1717B-2 | |

PART O. POWER REQUIREMENTS DATA BASE - ANNUAL SUMMARY

| CLASSIFICATION | CONSUMER SALES & REVENUE DATA | DECEMBER (a) | AVERAGE NO. CONSUMERS SERVED (b) | TOTAL YEAR TO DATE (c) |
|---|-------------------------------|-----------------|--|------------------------------|
| 1. Residential Sales (excluding seasonal) | a. No. Consumers Served | 4,800 | 4,775 | |
| | b. kWh Sold | | | 53,248,016 |
| | c. Revenue | | | 5,588,628 |
| 2. Residential Sales - Seasonal | a. No. Consumers Served | 3,699 | 3,651 | |
| | b. kWh Sold | | | 13,600,545 |
| | c. Revenue | | | 2,087,557 |
| 3. Irrigation Sales | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 4. Comm. and Ind. 1000 KVA or Less | a. No. Consumers Served | 51 | 50 | |
| | b. kWh Sold | | | 10,939,177 |
| | c. Revenue | | | 720,088 |
| 5. Comm. and Ind. Over 1000 KVA | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 6. Public Street & Highway Lighting | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 7. Other Sales to Public Authorities | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 8. Sales for Resale - RUS Borrowers | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 9. Sales for Resale - Other | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | 280,000 |
| 10. TOTAL No. of Consumers (lines 1a thru 9a) | | 8,550 | 8,476 | |
| 11. TOTAL kWh Sold (lines 1b thru 9b) | | | | 77,787,738 |
| 12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c) | | | | 8,676,273 |
| 13. Other Electric Revenue | | | | 153,636 |
| 14. kWh - Own Use | | | | 289,670 |
| 15. TOTAL kWh Purchased | | | | 85,599,948 |
| 16. TOTAL kWh Generated | | | | 0 |
| 17. Cost of Purchases and Generation | | | | 4,354,269 |
| 18. Interchange - kWh - Net | | | | |
| 19. Peak - Sum All kW Input (Metered) Non-coincident <u> </u> Coincident <u> x </u> | | | | 18,735 |

FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

WI0063

PERIOD ENDED

December, 2006

INSTRUCTIONS - See RUS Bulletin 1717B-2

PART I. INVESTMENTS

| No | DESCRIPTION (a) | INCLUDED (\$) (b) | EXCLUDED (\$) (c) | INCOME OR LOSS (\$) (d) | RURAL DEVELOPMENT (e) |
|----------|---|-------------------------|-------------------------|-------------------------------|--------------------------|
| 1 | Non-Utility Property (NET) | | | | |
| | Iron River Development | 1,500 | | | |
| | Totals | 1,500 | | | |
| 2 | Investments in Associated Organizations | | | | |
| | NISC-Membership | 25 | | | |
| | NISC-Patronage Capital | 22,332 | | | |
| | Chequamegon Telephone -Patronage Capital | 29,766 | | | |
| | Ener-Services, Inc. Common Stock | 100 | | | |
| | Ener-Services, Inc. - Membership | 10 | | | |
| | Cooperative Services-Patronage Capital | 355 | | | |
| | Dairyland Power Coop.-Patronage Capital | | 2,044,551 | | |
| | Federated Rural Elec-Subscriber Equity A | 73,661 | | | |
| | Iron Rvier Coop-Patronage Capital | 1,441 | | | |
| | Iron River Development Group-Common Stock | 100 | | | |
| | Lake States Forestry-Common Stock | 100 | | | |
| | Midland Services Inc.-Patronage Capital | 3,681 | | | |
| | NRECA-Membership | 10 | | | |
| | NRTC-Patronage Capital | 6,710 | | | |
| | NRUCFC-Subordinate Certificates | | 397,455 | | |
| | NRUCFC-Membership | | 1,000 | | |
| | NRUCFC-Patronage Capital | | 65,081 | | |
| | Rural Electric Supply-Common Stock | 10,370 | | | |
| | Rural Electric Supply-Preferred Stock | 13,904 | | | |
| | Rural Electric Supply-Patronage Capital | 11,562 | | | |
| | Wisconsin Electric Coop-Patronage Capital | 543 | | | |
| | Cooperative Services | 5,800 | | | |
| | Wisconsin Rural Enterprise Fund | 91,000 | | | X |
| | Totals | 271,470 | 2,508,087 | | |
| 3 | Investments in Economic Development Projects | | | | |
| | Baysat Internet | 16,341 | | | X |
| | Midwest Contractors | 77,900 | | | X |
| | UWS-Aquaculture | 20,800 | | | X |
| | Titus Enterprise | 5,020 | | | X |
| | Hipsher Forest Products | 6,926 | | | X |
| | Wee One's Daycare | 4,827 | | | X |
| | Progressive Dental | 5,126 | | | X |
| | Northland Veterinary Services | 17,412 | | | X |
| | Northern Pines Golf Course | 118,337 | | | X |
| | WI Business Corporation | 150,000 | | | X |
| | Econ Development-Grant Restricted | 40,000 | | | |
| | Jim's Klinge's Meat Market | 49,668 | | | X |
| | Totals | 512,357 | | | |
| 4 | Other Investments | | | | |
| | Industrial Park | 257,756 | | | |
| | Totals | 257,756 | | | |
| 5 | Special Funds | | | | |
| | Deferred Comp | 33,235 | | | |
| | Totals | 33,235 | | | |
| 6 | Cash - General | | | | |

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

W10063

PERIOD ENDED

December, 2006

PART I. INVESTMENTS

| | | | | | |
|-----------|--|------------------|------------------|--|--|
| | Checking | | 293,906 | | |
| | Working Funds | 1,382 | | | |
| | Totals | 1,382 | 293,906 | | |
| 8 | Temporary Investments | | | | |
| | CFC Restricted | 172,000 | | | |
| | DPC | 594,601 | | | |
| | Totals | 766,601 | | | |
| 9 | Accounts and Notes Receivable - NET | | | | |
| | Customer Accounts Receivable-Other | 361,083 | | | |
| | Totals | 361,083 | | | |
| 11 | TOTAL INVESTMENTS (1 thru 10) | 2,205,384 | 2,801,993 | | |

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

WI0063

PERIOD ENDED

December, 2006

PART II. LOAN GUARANTEES

| No | ORGANIZATION (a) | MATURITY DATE (b) | ORIGINAL AMOUNT (\$) (c) | LOAN BALANCE (\$) (d) | RURAL DEVELOPMENT (e) |
|--------------------------------------|---------------------|----------------------|--------------------------------|-----------------------------|--------------------------|
| Total: | | | | | |
| TOTAL (Include Loan Guarantees Only) | | | | | |

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

WI0063

PERIOD ENDED

December, 2006

Part III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT

[Total Of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form7, Part C, Line3)]

6.79 %

PART IV. LOANS

| No | ORGANIZATION (a) | MATURITY DATE (b) | ORIGINAL AMOUNT (\$) (c) | LOAN BALANCE (\$) (d) | RURAL DEVELOPMENT (e) |
|----|-------------------------------------|----------------------|--------------------------------|-----------------------------|--------------------------|
| 1 | Employees, Officers, Directors | | | | |
| 2 | Energy Resources Conservation Loans | | | | |
| 3 | Titus Enterprises | 2/15/2007 | 125,000 | 11,855 | X |
| 4 | Hipsher Forest Products | 9/15/2007 | 94,800 | 10,284 | X |
| 5 | Wee One's Day Care | 5/15/2008 | 33,855 | 7,622 | X |
| 6 | Progressive Dental | 11/1/2008 | 25,000 | 5,813 | X |
| 7 | Nortland Veterinary Services | 11/15/2008 | 75,000 | 18,060 | X |
| 8 | Jim Klinge's Meat Market | 12/15/2016 | 50,000 | 50,000 | X |
| | Total | | 403,655 | 103,634 | |



United States Department of Agriculture
Rural Development Utilities Programs - Data Collection System



HOME HELP PRINT LOGOUT CONTACT US

CARL MELCHORS : BAY

NAVIGATION

Forms

Form 7

Certification

Point Of Contact

Part A

Part B

Part C

Part D

Part E

Part F

Part G

Part H

Part I

Part J

Part K

Part L

Part M

Part N

Part O

Form 7a

Form 7a I

Form 7a II

Form 7a III

Form 7a IV

Financial And Statistical Report

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 9

This form has been submitted.

Prepared with Audited Data: * Yes No

Date Submitted: 02/28/2007 05:16 PM

BORROWER POINT OF CONTACT INFORMATION:

Contact Name: — Diane Berweger
Phone Number: — 715-372-4287
Email Address: — diane.berweger@bayfieldelectric.com

View Checks

Save

View Che

All errors must be corrected and all warnings must be explained before the form can be submitted fo

Part A: Statement of Operations

| Type | Check Key | Description |
|------|-----------|---|
| ▼ | 580 | The "Line 4. Transmission Expense" (Col. d) [(15,420)] is generally zero. Explanation: Bayfield Electric Cooperative received insurance money in December for a failed substation transforme |
| ▼ | 590 | The "Line 5. Distribution Expense - Operation" (Col. d) [(7,935)] is equal to zero. Explanation: Bayfield Electric Cooperative made year end adjustments for transformers and meters. |
| ▼ | 710 | The "Line 20. Patronage Capital & Operating Margins" (Col. d) [(17 greater than or equal to zero). Explanation: Reflects the impact of the Margin Stabilization Plan. |
| ▼ | 720 | The "Line 28. Patronage Capital or Margins" (Col. d) [(139,398)] is equal to zero. Explanation: Reflects the impact of the Margin Stabilization Plan. |

Part B: Data on Transmission and Distribution Plant

| Type | Check Key | Description |
|------|-----------|-------------|
|------|-----------|-------------|

No Errors or Warnings

Part C: Balance Sheet

Type Check Key Description

No Errors or Warnings

Part D: Notes to Financial Statements

Type Check Key Description

No Errors or Warnings

Part E: Changes in Utility Plant

Type Check Key Description

No Errors or Warnings

Part F: Materials And Supplies

Type Check Key Description

No Errors or Warnings

Part G: Service Interruptions

Type Check Key Description

No Errors or Warnings

Part H: Employee Hour And Payroll Statistics

Type Check Key Description

No Errors or Warnings

Part I: Patronage Capital

Type Check Key Description

No Errors or Warnings

Part J: Due From Consumers For Electric Service

Type Check Key Description

No Errors or Warnings

Part K: kWh Purchased And Total Cost

Type Check Key Description

No Errors or Warnings

Part L: Long-Term Leases

Type Check Key Description

No Errors or Warnings

Part M: Annual Meeting and Board Data

Type Check Key Description

No Errors or Warnings

Part N: Long-Term Debt and Debt Service Requirements

Type Check Key Description

No Errors or Warnings

Part O: Power Requirements Database - Annual Summary

Type Check Key Description

▼ 2900 If the Average No. Consumers Served, kWh Sold or Revenues for Other" is greater than zero then all three of these values is general

Explanation: Reflects the impact of the Margin Stabilization Plan.

Form 7a I: Investments

Type Check Key Description

| | | |
|------------------------------|------------------------------------|-----------------------|
| No Errors or Warnings | | |
| <input type="checkbox"/> | Form 7a II: Loan Guarantees | |
| | Type | Check Key Description |
| No Errors or Warnings | | |
| <input type="checkbox"/> | Form 7a III: Ratio | |
| | Type | Check Key Description |
| No Errors or Warnings | | |
| <input type="checkbox"/> | Form 7a IV: Loans | |
| | Type | Check Key Description |
| No Errors or Warnings | | |
| <input type="checkbox"/> | Cross Checks | |
| | Type | Check Key Description |
| No Errors or Warnings | | |

(Rev. 1-04)