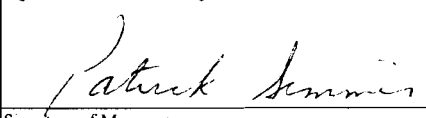


NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION	BORROWER DESIGNATION MI026
FINANCIAL AND STATISTICAL REPORT	BORROWER NAME HomeWorks Tri County Electric Cooperative
Submit one electronic copy and one signed hard copy to CFC Round all numbers to the nearest dollar	ENDING DATE 12/31/2006

CERTIFICATION

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

 4/25/07
Signature of Office Manager or Accountant Date

 4/25/07
Signature of Manager Date

NEW AUTHORIZATION CHOICES

A. NRECA uses rural electric system data for legislative regulatory and other purposes. May we provide this report from your system to NRECA?

NRECA YES NO

B. Will you authorize CFC to share your data with other co-ops on Cooperative.com's website?

Cooperative.com YES NO

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	30,043,016	30,717,676	30,329,700	2,985,485
2 Power Production Expense	0	0	0	0
3 Cost of Purchased Power	20,051,482	20,229,864	20,216,900	1,980,363
4 Transmission Expense	0	0	0	0
5 Distribution Expense - Operation	968,734	1,108,832	983,650	128,198
6 Distribution Expense - Maintenance	1,333,408	1,903,289	1,304,278	153,515
7 Consumer Accounts Expense	1,020,722	1,058,915	1,049,270	125,697
8 Customer Service and Informational Expense	771,060	744,883	767,053	80,963
9 Sales Expense	148,775	180,692	154,712	22,570
10 Administrative and General Expense	2,026,354	1,727,916	2,144,633	187,889
11 Total Operation & Maintenance Expense (2 thru 10)	26,320,537	26,954,392	26,620,496	2,679,195
12 Depreciation & Amortization Expense	1,831,226	1,911,446	1,959,600	158,439
13 Tax Expense - Property & Gross Receipts	465,642	525,834	699,600	(115,466)
14 Tax Expense - Other	166,832	76,479	147,000	30,278
15 Interest on Long-Term Debt	1,320,159	1,548,888	1,559,200	127,225
16 Interest Charged to Construction (Credit)	0	0	0	0
17 Interest Expense - Other	132,084	163,757	235,500	17,628
18 Other Deductions	(95,235)	(105,252)	(95,200)	(17,952)
19 Total Cost of Electric Service (11 thru 18)	30,141,246	31,075,544	31,126,196	2,879,347
20 Patronage Capital & Operating Margins (1 minus 19)	(98,230)	(357,868)	(796,496)	106,138
21 Non Operating Margins - Interest	49,125	49,759	36,000	4,750
22 Allowance for Funds Used During Construction	0	0	0	0
23 Income (Loss) from Equity Investments	571,093	689,109	0	689,109
24 Non Operating Margins - Other	10,752	129,044	107,000	133,110
25 Generation & Transmission Capital Credits	2,373,942	2,465,785	2,002,011	2,465,785
26 Other Capital Credits & Patronage Dividends	113,570	188,415		1,125
27 Extraordinary Items	0	0	0	0
28 Patronage Capital or Margins (20 thru 27)	3,020,253	3,164,244	1,348,515	3,400,017

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	498	274	5 Miles Transmission	0	0
2 Services Retired	61	76	6 Miles Distribution Overhead	2,888	2,914
3 Total Services In Place	26,915	27,113	7 Miles Distribution Underground	379	393
4 Idle Services (Exclude Seasonal)	1,836	1,804	8 Total Miles Energized (5+6+7)	3,267	3,307

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION MI026	
		YEAR ENDING 12/31/2006	
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	68,624,345	28. Memberships	207,893
2. Construction Work in Progress	479,159	29. Patronage Capital	30,625,172
3. Total Utility Plant (1+2)	69,103,504	30. Operating Margins - Prior Years	1,409,229
4. Accum. Provision for Depreciation and Amort	19,884,272	31. Operating Margins - Current Year	(357,869)
5. Net Utility Plant (3-4)	49,219,232	32. Non-Operating Margins	3,716,094
6. Nonutility Property - Net	3,300	33. Other Margins & Equities	542,626
7. Investment in Subsidiary Companies	3,608,744	34. Total Margins & Equities (28 thru 33)	36,143,145
8. Invest. in Assoc. Org. - Patronage Capital	15,669,276	35. Long-Term Debt CFC (Net)	27,608,840
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$_____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,266,604	36. Long-Term Debt - Other (Net)	18,500
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$_____))	0
12. Other Investments	39,474	37. Total Long-Term Debt (35+36)	27,627,340
13. Special Funds	1,322,976	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	21,910,374	39. Accumulated Operating Provisions - Asset Retirement Obligations	1,512,821
15. Cash-General Funds	517,161	40. Total Other Noncurrent Liabilities (38+39)	1,512,821
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	4,225,000
17. Special Deposits	0	42. Accounts Payable	2,651,895
18. Temporary Investments	8,910	43. Consumers Deposits	546,020
19. Notes Receivable - Net	121,165	44. Current Maturities Long-Term Debt	1,499,525
20. Accounts Receivable - Net Sales of Energy	4,940,205	45. Current Maturities Long-Term Debt-Economic Dev.	18,500
21. Accounts Receivable - Net Other	13,777	46. Current Maturities Capital Leases	0
22. Materials & Supplies - Electric and Other	897,154	47. Other Current & Accrued Liabilities	1,938,529
23. Prepayments	319,566	48. Total Current & Accrued Liabilities (41 thru 47)	10,879,469
24. Other Current & Accrued Assets	0	49. Deferred Credits	1,858,701
25. Total Current & Accrued Assets (15 thru 24)	6,817,938	50. Total Liabilities & Other Credits (34+37+40+48+49)	78,021,476
26. Deferred Debits	73,932		
27. Total Assets & Other Debits (5+14+25+26)	78,021,476		

ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
Balance Beginning of Year	5,416,758
Amounts Received This Year (Net)	179,976
TOTAL Contributions-In-Aid-Of-Construction	5,596,734

PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

Refer to the audit report for notes to the financial statements

CFC
FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION
MI026

YEAR ENDING 12/31/2006

PART E. CHANGES IN UTILITY PLANT

ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE OF YEAR (e)	DEPRECIATION RATE % (f)
1. Land and Land Rights (360)	330,399	127,405	6,000	21,000	472,805	
2. Structures and Improvements (361)	2,518,980	8,103	0	0	2,527,083	2.08%
3. Station Equipment (362)	0	0	0	0	0	0.00%
4. Storage Battery Equipment	0	0	0	0	0	0.00%
5. Poles, Towers, and Fixtures (364)	19,794,744	854,198	335,452	0	20,313,491	3.00%
6. Overhead Conductors and Devices (365)	13,480,511	906,123	388,818	0	13,997,816	2.30%
7. Underground Conduit (366)	141,930	0	0	0	141,930	2.70%
8. Underground Conductors and Devices (367)	5,879,214	1,906,913	759,907	0	7,026,220	2.40%
9. Line Transformers (368)	8,561,380	317,638	719,688	0	8,159,330	2.60%
10. Services (369)	7,130,551	419,778	106,822	0	7,443,507	3.10%
11. Meters (370)	2,687,515	141,173	116,476	0	2,712,212	2.90%
12. Installation on Consumer's Premises (371)	71,191	0	0	0	71,191	3.90%
13. Leased Property on Consumer's Premises (372)	570	0	0	0	570	3.60%
14. Street Lighting (373)	30,847	0	0	0	30,847	3.80%
15. SUBTOTAL: Distribution (1 thru 14)	60,627,832	4,681,332	2,433,163	21,000	62,897,001	
16. Land and Land Rights (See Line 26.)						
17. Structures and Improvements (See Line 26.)						
18. Office Furniture & Equipment (391)	1,062,439	151,377	234,961	0	978,855	12.30%
19. Transportation Equipment (392)	2,098,684	166,234	117,931	0	2,146,986	9.06%
20. Stores, Tools, Shop, Garage, and Laboratory Equipment (393, 394, 395)	319,799	7,590	93,632	0	233,756	7.62%
21. Power-Operated Equipment (396)	600,393	98,290	121,001	0	577,682	6.58%
22. Communication Equipment (397)	408,965	8,992	19,533	0	398,425	11.49%
23. Miscellaneous Equipment (398)	93,701	0	54,165	0	39,536	10.45%
24. Other Tangible Property (399)	0	0	0	0	0	0.00%
25. SUBTOTAL: General Plant (18 thru 24)	4,583,981	432,483	641,224	0	4,375,240	
26. Headquarters Plant (389 & 390)	1,067,570	49,189	7,889	(21,000)	1,087,870	
27. Intangibles (301, 302, 303)	323,292	13,193	72,251	0	264,234	
28. Land and Land Rights, Roads and Trails (350, 359)	0	0	0	0	0	
29. Structures and Improvements (352)	0	0	0	0	0	0.00%
30. Station Equipment (353)	0	0	0	0	0	0.00%
31. Towers and Fixtures and Poles and Fixtures (354, 355)	0	0	0	0	0	0.00%
32. Overhead, Conductors, and Devices (356)	0	0	0	0	0	0.00%
33. Underground Conduit (357)	0	0	0	0	0	0.00%
34. Underground Conductor & Devices (358)	0	0	0	0	0	0.00%
35. SUBTOTAL: Transmission Plant (28 thru 34)	0	0	0	0	0	
36. Production Plant - Steam (310-316)	0	0	0	0	0	
37. Production Plant - Nuclear (320-325)	0	0	0	0	0	
38. Production Plant - Hydro (330-336)	0	0	0	0	0	
39. Production Plant - Other (340-346)	0	0	0	0	0	
40. All Other Utility Plant (102, 104-106, 114, 118)	0	0	0	0	0	
41. SUBTOTAL: (15+25+26+27+35 thru 40)	66,602,675	5,176,196	3,154,527	0	68,624,345	
42. Construction Work in Progress (107)	358,553	120,606			479,159	
43. TOTAL UTILITY PLANT (41+42)	66,961,228	5,296,802	3,154,527	0	69,103,504	

CFC FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION MI026
	YEAR ENDING 12/31/2006

PART F. ANALYSIS OF ACCUMULATED PROVISION FOR DEPRECIATION - TOTAL ELECTIC PLANT

ITEM	DISTRIBUTION PLANT (a)	GENERAL PLANT (b)	TRANSMISSION PLANT (c)	OTHER PLANT (d)
1. Balance Beginning of Year	16,174,882	3,277,021	0	177,786
2. Additions - Depreciation Accruals Charged to:				
a. Depreciation Expense	1,671,766	252,207	0	35,022
b. Clearing Accounts and Others	0	239,185	0	0
c. Subtotal (a+b)	1,671,766	491,392	0	35,022
3. Less - Plant Retirements:				
a. Plant Retired	1,144,168	615,104	0	72,250
b. Removal Costs	132,875	0	0	0
c. Subtotal (a+b)	1,277,044	615,104	0	72,250
4. Plus Salvaged Materials	20,800	0	0	0
5. TOTAL (2c - 3c +4)	415,523	(123,712)	0	(37,228)
6. Other Adjustments - Debit or Credit	0	0	0	0
7. Balance End of Year (1+5+6)	16,590,405	3,153,309	0	140,558

AS OF 12/31/98 CFC NO LONGER REQUIRES SECTIONS "G", "N" AND "P" DATA
Those sections refer to data on, "Materials and Supplies" (G), "Annual Meeting and Board Data" (N), and Conservation Data" [P].

PART H. SERVICE INTERRUPTIONS

ITEM	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	Avg. Hours per Consumer by Cause	TOTAL (e)
	Power Supplier (a)	Extreme Storm (b)	Prearranged (c)	All Other (d)	
1. Present Year	2.01	28.76	0.00	3.51	34.28
2. Five-Year Average	1.07	4.84	0.06	2.98	8.95

PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	77	4. Payroll - Expensed	2,820,726
2. Employee - Hours Worked - Regular Time	152,527	5. Payroll - Capitalized	802,058
3. Employee - Hours Worked - Overtime	9,275	6. Payroll - Other	913,480

PART J. PATRONAGE CAPITAL

ITEM	THIS YEAR (a)	CUMULATIVE (b)	PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE	
1. General Retirement	449,997	4,120,853	1. Amount Due Over 60 Days: 85,903	
2. Special Retirements	0	303,979	2. Amount Written Off During Year:	
3. Total Retirements (1+2)	449,997	4,424,832	56,912	
4. Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	451,313			
5. Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	135,271			
6. Total Cash Received (4+5)	586,584			

PART L. KWH PURCHASED AND TOTAL COST

NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	KWH PURCHASED (c)	TOTAL COST (d)	AVERAGE COST PER KWH (cents) (e)	INCLUDED IN TOTAL COST	
					FUEL COST ADJUSTMENT (f)	WHEELING & OTHER CHARGES (or Credits) (g)
1. Wolverine Power Supply		307,105,800	19,985,924	6.51	4,543,240	577,169
2.		0	0	0.00	0	0
3.		0	0	0.00	0	0
4.		0	0	0.00	0	0
TOTALS		307,105,800	19,985,924	6.51	4,543,240	577,169

CFC FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION MI026
	YEAR ENDING 12/31/2006

PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")		
	NAME OF LESSOR	TYPE OF PROPERTY
		RENTAL THIS YEAR
1.		\$0
2.		
3.		TOTAL \$0
<p>** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000).</p>		

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (e)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1.	National Rural Utilities Cooperative Finance Corporation	29,126,865	1,549,966	1,463,563	3,013,529	
2.	RUS - Economic Development Loan	18,500	0	44,445	44,445	
3.		0	0	0	0	
4.		0	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
10.	TOTAL (Sum of 1 thru 9)	\$29,145,365	\$1,549,966	\$1,508,008	\$3,057,974	

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION MI026 YEAR ENDING 12/31/2006					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	22,167	22,163	22,156	22,165	22,198	22,198
	b. KWH Sold	18,848,929	16,767,915	17,344,288	14,794,087	15,283,548	16,645,511
	c. Revenue	1,810,381	1,772,766	1,749,681	1,585,782	1,679,850	1,849,650
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	222	222	221	222	224	224
	b. KWH Sold	8,304	9,650	8,457	9,926	54,437	172,791
	c. Revenue	4,988	5,847	5,435	6,709	14,874	38,063
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,560	2,555	2,555	2,559	2,563	2,567
	b. KWH Sold	3,381,708	3,083,742	3,261,712	2,968,378	3,766,152	3,848,572
	c. Revenue	341,271	342,415	344,689	339,136	422,152	431,463
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	3	3	3	3	4	4
	b. KWH Sold	1,368,924	1,289,499	1,399,063	1,298,814	1,508,193	1,536,411
	c. Revenue	83,319	89,701	91,557	86,801	106,001	123,225
6. Public Street & Highway Lighting	a. No. Consumers Served	25	25	26	26	26	26
	b. KWH Sold	10,017	10,017	10,131	10,131	9,854	9,910
	c. Revenue	1,438	1,516	1,490	1,457	1,535	1,563
7. Other Sales to Public Authority	a. No. Consumers Served	133	133	133	133	133	133
	b. KWH Sold	415,737	429,872	459,286	387,841	428,366	415,936
	c. Revenue	38,041	42,479	43,180	39,082	43,749	44,654
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		25,110	25,101	25,094	25,108	25,148	25,152
11. TOTAL KWH Sold (lines 1b thru 9b)		24,033,619	21,590,695	22,482,937	19,469,177	21,050,550	22,629,131
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		2,279,438	2,254,723	2,236,032	2,058,968	2,268,161	2,488,618
13. Other Electric Revenue		17,551	26,941	48,944	26,131	27,496	26,892
14. KWH - Own Use							
15. TOTAL KWH Purchased		25,842,600	23,215,800	24,175,200	20,934,600	22,635,000	24,332,400
16. TOTAL KWH Generated							
17. Cost of Purchases and Generation		1,473,855	1,498,593	1,465,225	1,339,076	1,509,968	1,677,213
18. Interchange - KWH - Net							
19. Peak - Sum All KW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>		51,940	51,705	49,482	43,825	62,857	62,831

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l) (m)
		MI026						
		YEAR ENDING						12/31/2006
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Column a thru l) (m)
1	a.	22,231	22,262	22,267	22,302	22,289	22,308	22,238
	b.	20,162,723	19,791,081	15,545,504	16,097,770	16,676,523	18,572,664	206,530,543
	c.	2,175,311	2,281,756	1,820,298	1,718,452	1,836,054	2,025,147	22,305,127
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	225	225	225	225	223	224	223
	b.	1,601,777	1,235,721	1,238,878	105,783	27,587	37,751	4,511,062
	c.	197,125	167,823	165,193	24,202	26,486	10,748	667,494
4	a.	2,566	2,578	2,597	2,605	2,621	2,625	2,593
	b.	4,445,465	4,060,533	3,506,770	3,991,324	4,146,410	4,451,571	44,912,337
	c.	484,353	478,071	412,374	430,727	466,063	484,124	4,976,837
5	a.	4	4	4	4	4	4	4
	b.	1,683,824	1,428,804	1,565,357	3,788,235	3,898,653	5,696,750	26,462,527
	c.	131,961	125,699	139,386	243,877	264,962	393,708	1,880,198
6	a.	26	26	26	26	26	26	26
	b.	9,910	9,910	10,024	10,024	10,024	1,755	111,707
	c.	1,548	1,620	1,618	1,520	1,562	1,670	18,538
7	a.	133	133	133	132	132	132	133
	b.	388,571	384,617	332,941	429,401	442,358	478,916	4,993,842
	c.	40,495	42,663	39,187	44,090	49,128	47,151	513,901
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		25,185	25,228	25,252	25,294	25,295	25,319	25,215
11		28,292,270	26,910,666	22,199,474	24,422,537	25,201,555	29,239,407	287,522,018
12		3,030,794	3,097,633	2,578,056	2,462,867	2,644,257	2,962,550	30,362,095
13		30,615	24,708	30,761	27,051	45,557	22,935	355,581
14								0
15		30,421,800	28,936,200	23,870,400	26,260,800	26,908,800	29,572,200	307,105,800
16								0
17		2,076,887	2,153,245	1,685,067	1,612,523	1,757,850	1,980,362	20,229,864
18								0
19		76,367	79,694	53,126	53,128	57,127	53,128	79,694

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION (All investments refer to your most recent CFC Loan Agreement) Submit an electronic copy and a signed hard copy to CFC. Round all amounts to the nearest dollar.		BORROWER DESIGNATION M1026 BORROWER NAME HomeWorks Tri County Electric Cooperative MONTH ENDING 12/31/06		
7a - PART 1 - INVESTMENTS				
DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)	
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS				
5 See Attached Notes	3,113,296	16,742,218	689,109	
6	0	0	0	
7	0	0	0	
8	0	0	0	
Subtotal (Line 5 thru 8)	3,113,296	16,742,218	689,109	
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS				
9	0	0	0	
10	0	0	0	
11	0	0	0	
12	0	0	0	
Subtotal (Line 9 thru 12)	0	0	0	
4. OTHER INVESTMENTS				
13 Brownsfield Tax Credits	39,474	0	0	
14	0	0	0	
15	0	0	0	
16	0	0	0	
Subtotal (Line 13 thru 16)	39,474	0	0	
5. SPECIAL FUNDS				
17 Cash-Restricted Funda	1,322,976	0	0	
18	0	0	0	
19	0	0	0	
20	0	0	0	
Subtotal (Line 17 thru 20)	1,322,976	0	0	
6. CASH - GENERAL				
21 Portland Federal Credit Union Accounts	417,161	100,000	0	
22	0	0	0	
23	0	0	0	
24	0	0	0	
Subtotal (Line 21 thru 24)	417,161	100,000	0	
7. SPECIAL DEPOSITS				
25	0	0	0	
26	0	0	0	
27	0	0	0	
28	0	0	0	
Subtotal (Line 25 thru 28)	0	0	0	
8. TEMPORARY INVESTMENTS				
29 Cash-Fedline Account	8,910	0	0	
30	0	0	0	
31	0	0	0	
32	0	0	0	
Subtotal (Line 29 thru 32)	8,910	0	0	
9. ACCOUNT & NOTES RECEIVABLE - NET				
33 See Attached Notes	49,378	85,564	0	
34	0	0	0	
35	0	0	0	
36	0	0	0	
Subtotal (Line 33 thru 36)	49,378	85,564	0	
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED				
37	0	0	0	
38	0	0	0	
39	0	0	0	
40	0	0	0	
Subtotal (Line 37 thru 40)	0	0	0	
Total	4,951,195	16,927,782	689,109	

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION	BORROWER DESIGNATION MI026
(All investments refer to your most recent CFC Loan Agreement)	BORROWER NAME HomeWorks Tri County Electric Cooperative
Submit an electronic copy and a signed hard copy to CFC. Round all amounts to the nearest dollar.	MONTH ENDING 12/31/2006

7a - PART II. LOAN GUARANTEES

Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount (\$) (c)	Performance Guarantee Exposure or Loan Balance (\$) (d)	Available Loans (Covered by Guarantees) (e)
1	NRUCFC	10/29/2007	400,000	14,815	X
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			400,000	14,815	0

7a - PART III. LOANS

Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Available Loans (e)
1	Notes Receivables - Water Heaters	Various	179,388	106,350	0
2	Employees, Officers & Directors	Various	8,202	4,347	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			187,590	110,697	0

7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES

1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)	125,512
2	LARGER OF (a) OR (b)	18,071,573
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)	10,365,526
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 34)	18,071,573

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

We have added 92 new ratios to the existing 53 ratios calculated from the data entered on your Form 7. These preliminary ratios can be used to evaluate your system's performance and used as an error checking device. MDSC and DSC will be "estimated" values. Your system's prior year's "Investment in Associated Orgs -- Patronage Capital" must be entered as a part of the calculation for MDSC.

ITEM DESCRIPTION	ENTER DATA	RATIO NO.	RATIO DESCRIPTION	ESTIMATED RATIO VALUE
Invest In Assoc Org - Pat Cap (for 2005)	13,605,790	1	Average Total Consumers Served	25,215.00
Billed Debt Services (2006)	3,057,974	2	Total KWH Sold (1,000)	287,522.00
Total KWH Sold (for 2005)	283,661,585	3	Total Utility Plant (1,000)	69,103.50
Avg. Total Number of Consumers (for 2005)	25,002	4	Total Number of Employees (Full Time Only)	77.00
Total Utility Plant (for 2005)	66,961,228	5	Total Miles of Line	3,307.00
Total Margins and Equities (for 2004)	31,105,444	6	TIER (estimated)	3.04
Total Margins and Equities (for 2005)	33,414,325	7	TIER (2 of 3 year High Average)	4.01
Total Long-Term Debt (for 2004)	25,576,751	8	OTIER	1.15
Total Long-Term Debt (for 2005)	29,144,373	9	OTIER (2 of 3 year High Average)	1.56
Total Margins and Equities (for 2001)	23,590,085	10	MDSC (estimated)	1.22
Total Long-Term Debt (for 2001)	19,949,659	11	MDSC (2 of 3 year High Average)	1.44
Current Maturities Long-Term Debt - Economic Development (2005)	45,000	12	Debt Service Coverage - DSC (estimated)	2.17
Current Maturities Long-Term Debt (2005)	1,464,000	13	DSC (2 of 3 year High Average)	2.48
TIER (2004)	4.06	14	ODSC	1.21
TIER (2005)	3.96	15	ODSC (2 of 3 year High Average)	1.42
TIER (2006)	3.04	16	Equity As A % of Assets	46.32
		17	Distribution Equity (excludes equity in Assoc. Org's Patronage Capital)	32.84
OTIER (2004)	1.96	18	Equity As A % of Total Capitalization	56.68
OTIER (2005)	1.16	19	Long-Term Debt As A % of Total Assets	35.41
OTIER (2006)	1.15	20	Long-Term Debt Per KWH Sold (Mills)	96.09
		21	Long-Term Debt Per Consumer (\$)	1,095.69
MDSC (2004)	1.62	22	Non-Government Debt As % of Total Long-Term Debt	100.00
MDSC (2005)	1.25	23	Blended Interest Rate (%)	5.18
MDSC (2006)	1.22	24	Annual Capital Credits Retired Per Total Equity (%)	1.25
		25	Long-Term Interest As A % of Revenue	5.04
DSC (2004)	2.68	26	Cumulative Patronage Capital Retired As A % of Total Patronage Capital	10.91
DSC (2005)	2.27	27	Rate of Return on Equity (%)	8.75
DSC (2006)	2.17	28	Rate of Return on Total Capitalization (%)	7.39
		29	Current Ratio	0.63
ODSC (2004)	1.60	30	General Funds Per TUP (%)	2.74
ODSC (2005)	1.24	31	Plant Revenue Ratio (PPR) One Year	6.59
ODSC (2006)	1.21	32	Investment in Subsidiaries to Total Assets (%)	4.63
2% of Total Margins & Equity	722,862.90	33	Total Operating Revenue per KWH Sold (Mills)	106.84
Total Long-Term Leases	-	34	Total Operating Revenue per TUP Investment (Cents)	44.45
1/3 of the Lease portion	(240,954.30)	35	Total Operating Revenue Per Consumer (\$)	1,218.25
Pat Cap (Cash) portion	590,714.98	36	Electric Revenue per KWH Sold (Mills)	105.60
		37	Electric Revenue per Consumer (\$)	1,204.15
		38	Residential Revenue per KWH Sold (Mills)	108.00
		39	Non-Residential Revenue per KWH Sold (Mills)	99.48
		40	Seasonal Revenue per KWH Sold (Mills)	#DIV/0!

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

We have added 92 new ratios to the existing 53 ratios calculated from the data entered on your Form 7.
 These preliminary ratios can be used to evaluate your system's performance and used as an error checking device.
 MDSC and DSC will be "estimated" values. Your system's prior year's "Investment in Associated Orgs --
 Patronage Capital" must be entered as a part of the calculation for MDSC.

RATIO NO.	RATIO DESCRIPTION	ESTIMATED RATIO VALUE	RATIO NO.	RATIO DESCRIPTION	ESTIMATED RATIO VALUE
41	Irrigation Revenue per KWH Sold (Mills)	147.97	81	Consumer Accounting Expenses per Consumer (\$)	42.00
42	Small Commercial Revenue per KWH Sold (Mills)	110.81	82	Customer Sales and Service Per Total KWH Sold (Mills)	3.22
43	Large Commercial Revenue per KWH Sold (Mills)	71.05	83	Consumer Sales and Service per Consumer (\$)	36.71
44	Sale for Resale Revenue per KWH Sold (Mills)	#DIV/0!	84	A & G Expenses per Total KWH Sold (Mills)	6.01
45	Street & Highway Lighting Revenue per KWH Sold (Mills)	165.96	85	A & G Expenses per Consumer (\$)	68.53
46	Other Sales to Public Authorities Revenue Per KWH Sold (Mills)	102.91	86	Total Controllable Expenses per Total KWH Sold (Mills)	23.39
47	Operating Margins per KWH Sold (Mills)	(1.24)	87	Total Controllable Expenses per Consumer (\$)	266.69
48	Operating Margins per Consumer \$	(14.19)	88	Power Cost per KWH Purchased (Mills)	65.87
49	Non-Operating Margins per KWH Sold (Mills)	3.02	89	Power Cost per Total KWH Sold (Mills)	70.36
50	Non-Operating Margins per Consumer \$	34.42	90	Power Cost As A % of Revenue	65.86
51	Total Margins Less Allocations per KWH Sold (Mills)	1.77	91	Long-Term Interest Cost per Total KWH Sold (Mills)	5.39
52	Total Margins Less Allocations per Consumer \$	20.23	92	Long-Term Interest Cost As A % of TUP	2.24
53	Income (Loss) from Equity Investments per Consumer \$	27.33	93	Long-Term Interest Cost per Consumer (\$)	61.43
54	Associated Organization's Capital Credits Per KWH Sold (Mills)	9.23	94	Depreciation Expense per Total KWH Sold (Mills)	6.65
55	Associated Organization's Capital Credits Per Consumer (\$)	105.26	95	Depreciation Expense As A % of TUP	2.77
56	Total Margins per KWH Sold (Mills)	11.01	96	Depreciation Expense per Consumer (\$)	75.81
57	Total Margins per Consumer \$	125.49	97	Accumulative Depreciation As A % of Plant in Service	28.98
58	A/R Over 60 Days As A % of Operating Revenue	0.28	98	Total Tax Expense per Total KWH Sold (Mills)	2.09
59	Amount Write-Off As A % of Operating Revenue	0.19	99	Total Tax Expense As A % of TUP	0.87
60	Total MWH Sold per Mile of Line	86.94	100	Total Tax Expense per Consumer (\$)	23.89
61	Average Residential KWH Usage per Month	773.96	101	Total Fixed Expenses per Total KWH Sold (Mills)	84.69
62	Average Seasonal KWH Usage per Month	#DIV/0!	102	Total Fixed Expenses per Consumer (\$)	965.75
63	Average Irrigation KWH Usage per Month	1,685.75	103	Total Operating Expenses per Total KWH Sold (Mills)	23.39
64	Average Small Commercial KWH Usage per Month	1,443.66	104	Total Operating Expenses per Consumer	266.69
65	Average Large Commercial KWH Usage per Month	630,060.17	105	Total Cost of Service (Minus Power Costs) per Total KWH Sold (Mills)	37.72
66	Average Street & Highway Lighting KWH Usage per Month	365.06	106	Total Cost of Electric Service per Total KWH Sold (Mills)	108.08
67	Average Sales for Resale KWH Usage per Month	#DIV/0!	107	Total Cost of Electric Service per Consumer (\$)	1,232.45
68	Average Sales to Public Authorities KWH Usage per Month	3,140.78	108	Average Wage Rate per Hour (\$)	28.04
69	Residential KWH Sold per Total KWH Sold (%)	71.83	109	Total Wages per Total KWH Sold (Mills)	15.78
70	Seasonal KWH Sold per Total KWH Sold (%)	-	110	Total Wages per Consumer (\$)	179.91
71	Irrigation KWH Sold per Total KWH Sold (%)	1.57	111	Overtime Hours/Total Hours (%)	5.73
72	Small Commercial KWH Sold per Total KWH Sold (%)	15.62	112	Capitalized Payroll/Total Payroll (%)	17.68
73	Large Commercial KWH Sold per Total KWH Sold (%)	9.20	113	Average Consumers per Employee	327.46
74	Street & Highway Lighting KWH Sold per Total KWH Sold (%)	0.04	114	Annual Growth in KWH Sold (%)	1.36
75	Sales for Resale KWH Sold per Total KWH Sold (%)	-	115	Annual Growth in Number of Consumers (%)	0.85
76	Sales to Public Authorities KWH Sold per Total KWH Sold (%)	1.74	116	Annual Growth in TUP Dollars (%)	3.20
77	O & M Expenses per Total KWH Sold (Mills)	10.48	117	Const. W.I.P. to Plant Additions (%)	9.26
78	O & M Expenses per Dollars of TUP (Mills)	43.59	118	Net New Services to Total Services (%)	0.73
79	O & M Expenses per Consumer (\$)	119.46	119	Annual Growth in Total Capitalization (%)	1.94
80	Consumer Accounting Expenses per Total KWH Sold (Mills)	3.68	120	2 Yr Compound Growth in Total Capitalization (%)	6.07

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

We have added 92 new ratios to the existing 53 ratios calculated from the data entered on your Form 7. These preliminary ratios can be used to evaluate your system's performance and used as an error checking device. MDSC and DSC will be "estimated" values. Your system's prior year's "Investment in Associated Orgs -- Patronage Capital" must be entered as a part of the calculation for MDSC.

RATIO NO.	RATIO DESCRIPTION	ESTIMATED RATIO VALUE
121	5 Yr. Compound Growth in Total Capitalization (%)	7.93
122	TUP Investment per Total KWH Sold (Cents)	24.03
123	TUP Investment per Consumer (\$)	2,740.63
124	TUP Investment per Mile of Line (\$)	20,896.32
125	Average Consumers per Mile	7.62
126	Distribution Plant per Total KWH Sold (Mills)	218.76
127	Distribution Plant per Consumer (\$)	2,494.48
128	Distribution Plant per Employee (\$)	816,844.16
129	General Plant per Total KWH Sold (Mills)	15.22
130	General Plant per Consumer (\$)	173.52
131	General Plant per Employee (\$)	56,821.29
132	Headquarters Plant per Total KWH Sold (Mills)	3.78
133	Headquarters Plant per Consumer (\$)	43.14
134	Headquarters Plant per Employee (\$)	14,128.19
135	Transmission Plant per Total KWH Sold (Mills)	-
136	Transmission Plant per Consumer (\$)	-
137	Transmission Plant per Employee (\$)	-
138	Idle Services to Total Service (%)	6.65
139	Line Loss (%)	6.38
140	System Avg. Interruption Duration Index (SAIDI) - Power Supplier	2.01
141	System Avg. Interruption Duration Index (SAIDI) - Extreme Storm	28.76
142	System Avg. Interruption Duration Index (SAIDI) - Prearranged	-
143	System Avg. Interruption Duration Index (SAIDI) - All Other	3.51
144	System Avg. Interruption Duration Index (SAIDI) - Total	34.28
145	Avg. Service Availability Index (ASAI) - Total (%)	99.61

Part F.

Line 2 a. does not equal Part A., Line 12.b. because of amortization of insurance gain due to replacement of property lost in a fire on Jan. 13, 2004. This resulted in a reduction of \$47,550 to depreciation expense for 2005. The balance of this gain is shown as a liability in Part B., Line 49 "Deferred Credits".

Depreciation per Part F., Line 2.a.	1,958,995
Amortization of insurance gain	(47,550)
Depreciation per Part A., Line 12.b.	<u>1,911,446</u>

7a-Part 1-Investments

2. Investments in Associated Organizatons

	Description	Included	Excluded	Income
1	CFC Patronage		395,788	
2	Tri-Co Services-50,000 shrs common stock	50,000		
3	Tri-Co Services Subsidiary Investment	1,571,925		
4	Tri-Co Services Subsidiary Equity	1,297,709		689,109
5	United Service Alliance-Subsidiary	500		
6	NRUCFC Capital Term Cerificates		1,224,905	
7	NRUCFC Membership		1,000	
8	Cooperative Response Center-Membership	3,103		
9	Michigan Electric Coop Assoc, Building	34,477		
10	Michigan Electric Coop Assoc, Membership	1,000		
11	National Rural Telecom Coop-Patronage	519		
12	Natonal Cooperative Service Corp-Membership	100		
13	Wolverine Power Supply Coop-Patronage		15,118,884	
14	National Information Solutions Coop-Patronage	60,121		
15	Rural Electric Supply Coop-Patronage	34,453		
16	Co-Bank-Investment		1,000	
17	Co-Bank Patronage		640	
18	Federated Rural Insurance Coop-Stock	20,000		
19	Federated Rural Insurance Coop-Patronage	39,388		
Total		3,113,296	16,742,218	689,109

9. Accounts & Notes Receivable Net

	Description	Included	Excluded	Income
1	Notes Receivable-Water Heaters	106,350		
2	Notes Receivable-Economic Development Loan		14,815	
3	Accounts Receivable-Subsidiary	(112,009)		
4	Accounts Receivable-Employees, Officers, Directors	4,347		
5	NRUCFC Int Receivable-CTC's & Commercial Paper		8,100	
6	State of Michigan-Overpayment of Taxes		62,649	
7	Other Receivables	50,689		
Total		49,378	85,564	-

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/25/2007	Year of Report December 31, 2006
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IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none", "not acceptable" or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefor and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly and materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be attached to this page.

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/25/2007	Year of Report December 31, 2006
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STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be included on pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.

2. Under "Other" specify significant amounts and group others.

3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on pages 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See instructions for Explanation of Codes)	Amounts (b)
	See Attached Statement of Cash Flows	
1	Net Cash Flow from Operating Activities: (enter outflows from company as negative #s)	
2	Net Income (Line 72 (c) on page 117)	
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	
5	Amortization of (Specify)	
6	Intangible Plant	
7		
8	Deferred Income Taxes (Net)	
9	Investment Tax Credit Adjustment (Net)	
10	Net (Increase) Decrease in Receivables	
11	Net (Increase) Decrease in Inventory	
12	Net (Increase) Decrease in Allowances Inventory	
13	Net (Increase) Decrease in Payables and Accrued Expenses	
14	Net (Increase) Decrease in Other Regulatory Assets	
15	Net (Increase) Decrease in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other:	
19		
20		
21		
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance to Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in (and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

TRI-COUNTY ELECTRIC COOPERATIVE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
OPERATING ACTIVITIES		
Net margins	\$ 3,164,244	\$ 3,020,252
Adjustments to reconcile net margins to net cash from operating activities		
Depreciation	2,198,181	2,063,963
(Gain) loss on disposition of electric plant	(19,262)	1,169
Income from subsidiary	(689,109)	(571,093)
Noncash patronage capital allocations	(2,653,600)	(2,571,035)
Deferred gain from insurance proceeds	(47,550)	344,170
Post-retirement and pension benefits	61,001	38,238
Changes in assets and liabilities		
Accounts receivable	(508,625)	79,472
Refunds payable to customers	1,424,047	(1,552,197)
Notes receivable	(15,370)	(17,190)
Prepaid expenses	(15,099)	27,837
Interest receivable	215	-
Deferred debits	(70,330)	-
Accounts payable	(392,675)	808,032
Customer deposits	68,982	72,242
Accrued expenses and taxes	(549,077)	(303,542)
Deferred credits	57,151	(96,896)
NET CASH FROM OPERATING ACTIVITIES	<u>2,013,124</u>	<u>1,343,422</u>
INVESTING ACTIVITIES		
Additions to, and costs of retirements of, utility plant	(4,038,325)	(2,640,301)
Proceeds from sale of general plant	19,262	-
Cash received from other property and investments	657,830	-
Cash invested in other property and investments	(76,251)	-
Return of paid in capital from subsidiary	120,000	120,000
Decrease (increase) in materials and supplies	27,163	(167,538)
NET CASH USED FOR INVESTING ACTIVITIES	<u>(3,290,321)</u>	<u>(2,687,839)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	-	5,000,000
Principle payments on long-term debt	(1,508,007)	(1,391,378)
Net borrowings (repayment) of line of credit	3,225,000	(2,158,003)
Patronage capital retired	(449,997)	(334,543)
Memberships issued, net	14,573	15,292
NET CASH FROM FINANCING ACTIVITIES	<u>1,281,569</u>	<u>1,131,368</u>

(continued on next page)

STATEMENTS OF CASH FLOWS - Page 2

	<u>2006</u>	<u>2005</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,372	(213,049)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,844,674</u>	<u>2,057,723</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,849,046</u>	<u>\$ 1,844,674</u>
Cash and cash equivalents	\$ 526,070	\$ 1,112,482
Restricted cash	<u>1,322,976</u>	<u>732,192</u>
	<u>\$ 1,849,046</u>	<u>\$ 1,844,674</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 1,592,245</u>	<u>\$ 1,410,627</u>

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/25/2007	Year of Report December 31, 2006
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STATEMENT OF CASH FLOWS (Continued)

<p>4. Investing Activities (a) Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of asset acquired with liabilities assumed on pages 122-123. (b) Don not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123.</p>	<p>5. Codes used: (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc. 6. Enter on pages 122-123 clarifications and explanations.</p>
---	--

Line No.	Description (See instructions for Explanation of Codes)	Amount (b)
	See Attached Statement of Cash Flows	
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in Allowances Held for Speculation	
52	Net Increase (Decrease) in Payables and Accrued Expenses	
53	Other:	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 55)	
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other:	
65		
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	
71		
72	Payments for Retirement of:	
73	Long Term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57 and 83)	
87		
88	Cash and Cash Equivalents at Beginning of Year	
89		
90	Cash and Cash Equivalents at End of Year	

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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NONUTILITY PROPERTY (Account 121)

- | | |
|---|---|
| <p>1. Give a brief description and state the location of nonutility property included in Account 121.</p> <p>2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.</p> <p>3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.</p> | <p>4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.</p> <p>5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service, or (2) other nonutility property.</p> |
|---|---|

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1				
2	Vacant Lot at Canadian Lakes	3,300	0	3,300
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
	TOTAL	3,300	0	3,300

**ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF
NONUTILITY PROPERTY (Account 122)**

Report below the information called for concerning depreciation and amortization of nonutility property.

Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	0
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify):	
6		
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	
10	Cost of Removal	
11	Salvage (Credit)	
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	
13	Other Debit or Credit Items (Describe):	
14		
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	0

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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INVESTMENTS (Accounts 123, 124, 136)

1. Report below the investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investment*, and 136, *Temporary Cash Investments*.
 2. Provide a subheading for each account and list thereunder the information called for:
 (a) Investment in securities - List and describe each security owned, giving name of user, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included
 in Account 124, *Other Investments*), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, *Temporary Cash Investments*, also may be grouped by classes.
 (b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or an open account. Each note should be

Line No.	Description of Investment (a)	Book Cost at Beginning of Year <i>(If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference)</i> (b)		Purchases or Additions During Year (c)
		Original Cost	Book Value	
1	See Attached Schedule			
2				
3				
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**HomeWorks Tri County Electric Cooperative
GENERAL LEDGER ACCOUNT ANALYSIS-2006**

Account	Description	Balance @ 12/31/05	Form 7 Line 23		Form 7 Line 25	Form 7 Line 26		Form 7 Line 26		Balance @ 12/31/06	
			Income/Loss Equity Inv	Investment	G&T Cap Credits	Other Cap Credits	Revenue Acct Chgd	CC Allocation Adjustment	Cash Received		
1.1.123.10	CFC Patronage	358,852.95				171,566.02	1.20.424.		134,630.52	395,788.45	
1.1.123.11	Tri-Co Services	3,039,634.87	689,109.46	(120,000.00)						3,608,744.33	
1.1.123.12	United Services Alliance - MBSP	500.00								500.00	
1.1.123.22	CFC CTC'S	1,171,925.30		76,250.00					23,270.38	1,224,904.92	
1.2.123.22	CFC Memberships	1,000.00								1,000.00	
1.3.123.22	CRC Memberships	3,103.11							0.00	3,103.11	
1.1.123.23	MECA Building and Property	34,477.00								34,477.00	
1.2.123.23	MECA Memberships	1,000.00								1,000.00	
1.1.123.24	NRTC	519.00								519.00	
1.2.123.24	National Coop Service Corp MBSP	100.00								100.00	
1.1.123.30	Wolverine Capital Credits	13,104,412.57			2,465,785.29		1.20.423.		451,313.49	15,118,884.37	
1.1.123.31	NISC - National Information Solutions Cooperative	58,841.57					1,480.35	1.20.424.	200.66	60,121.26	
1.1.123.40	RESCO Capital Credits	32,129.00					4,107.00	1.20.424.	1,783.00	34,453.00	
1.1.123.50	Co-Bank Membership	1,000.00								1,000.00	
1.1.123.51	Co-Bank	0.00					1,280.82	1.20.424.	640.41	640.41	
1.1.123.60	Federated Rural Electric	51,554.01					9,381.00	1.20.424.	1,547.00	59,388.01	
	CRC Class A Dividend						600.00				
Totals		17,859,049.38	689,109.46	(43,750.00)	2,465,785.29	188,415.19			0.00	613,385.46	20,544,623.86

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) [] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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INVESTMENTS (Accounts 123, 124, 136) (Cont'd)

<p>listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.</p> <p>3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.</p> <p>4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of</p>	<p>authorization, and case or docket number.</p> <p>5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.</p> <p>6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).</p>
--	--

Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (f)		Revenues for Year (g)	Gain or Loss from Improvement Disposed of (h)	Line No.
		Original Cost	Book Value			
See Attached Schedule						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
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						12
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HomeWorks Tri County Electric Cooperative

Schedule of Inter company Transactions - Pages 226B and 260B

For the Year Ended December 31, 2006

Account	Description	12/31/2005 Balance	Debits	Credits	12/31/2006 Balance	Interest for Year*
1.10.143.	A/C Receivable - Other - Tri Co Services	219,022.27	2,661,284.94	2,992,312.73	(112,005.52)	-
	Total	219,022.27	2,661,284.94	2,992,312.73	(112,005.52)	-
1.1.232.01	Account Payable - Tri-Co Services	2,680.39	14,738.58	12,058.19	-	-
1.1.232.07	Accounts Payable - Propane	4,710.29	72,288.50	67,578.21	-	-
	Total	7,390.68	87,027.08	79,636.40	-	-

*All monies were paid between Cooperative and Affiliate on a timely basis and no interest was charged/paid.

The 143 accounts include labor, fringe benefits, space charges and any expenses that are split between HomeWorks Tri-County Electric and Tri-Co Services. It also includes payments collected by Tri-County Electric for Tri-Co Services. All of these charges are run thru the 1.10.143. on Tri-County Electric and offset in the 1.1.232. on Tri-Co Services.

The payments that were received for Tri-Co Services in the 1.1.232.01 and the 1.1.232.07 are now being recorded in the 1.10.143. account.

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

- | | |
|---|--|
| <p>1. Report particulars of notes and accounts receivable from associated companies* at end of year.</p> <p>2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.</p> <p>3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.</p> | <p>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</p> <p>5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p> |
|---|--|

* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the account company. This includes related parties.

"Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	AR-Other-Tri-Co Services	219,022	2,661,285	2,992,313	(112,006)	0
2						
3						
4						
5						
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20						
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22						
23						
24						
25	TOTAL	219,022	2,661,285	2,992,313	(112,006)	0

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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ALLOWANCES

- | | |
|--|---|
| <p>1. Report below the details called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first</p> | <p>eligible for use; the current year's allowances in columns (b)-(c), allowances for the three succeeding years in column(d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions on lines 36-40.</p> |
|--|---|

Line No.	Allowance Inventory (a)	Current Year		20__	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance - Beginning of Year	N/A			
2-4	Acquired During Year: Issued (Less Withheld Allow.)				
5	Returned by EPA				
6-8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16-18	Relinquished During Year: Charges to Acct. 509				
19	Other:				
20					
21-22	Cost of Sales/Transfers:				
23					
24					
25					
26					
27					
28	Total				
29	Balance - End of Year				
30-32	Sales:				
	Net Sales Proceeds (Assoc Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld				
36	Balance - Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance - End of Year				
41-43	Sales:				
	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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ALLOWANCES (Continued)

6. Report on line 5 allowances returned by the EPA. Report on line 39 the EPA's sales of the withheld allowances. Report on lines 43-46 the net sales or auction of the withheld allowances.

7. Report on lines 8-14 the names of vendors/transfers of allowances acquired and identify associated companies (See "associated co." under "Definitions" in Uniform System of Accounts).

8. Report on lines 22-27 the names of purchasers/transfers of allowances disposed of and identify associated companies.

9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.

10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.

20__		20__		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
N/A								1
								2-4
								5
								6-8
								9
								10
								11
								12
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								41-43
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								46

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
LONG-TERM DEBT (Accounts 221, 222, 223 and 224)			
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>			
Line No.	Class and Series of Obligation, Coupon Rate <i>(For new issue, give Commission Authorization numbers and dates)</i> (a)	Principal Amount of Debt Issued (b)	Total Expense, Premium or Discount (c)
1	HomeWorks Tri-County Electric has no advances or long term debt from Associated Companies. Attached is the Part O of the Form 7a which shows the long term debt balances for HomeWorks Tri-County which are not related to Associated Companies.		
2			
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22			
23			
24			
25	TOTAL		

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
---	---	--	-------------------------------------

LONG-TERM DEBT (Accounts 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt-Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.
12. In a footnote, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, Interest on Long-Term Debt, and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
N/A						1
						2
						3
						4
						5
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						25

CFC FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	MI026
	YEAR ENDING 12/31/2006

PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")		
	NAME OF LESSOR	RENTAL THIS YEAR
1.		\$0
2.		
3.		
	TOTAL	\$0

** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers) "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000).

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (e)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1.	National Rural Utilities Cooperative Finance Corporation	29,126,865	1,548,888	1,463,563	3,012,451	
2.	RUS - Economic Development Loan	18,500	0	44,445	44,445	
3.		0	0	0	0	
4.		0	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
10.	TOTAL (Sum of 1 thru 9)	\$29,145,365	\$1,548,888	\$1,508,008	\$3,056,896	

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

1. Report particulars of notes and accounts payable to associated companies at end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to total for the combined accounts.
3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.
4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

**See definition on page 226B*

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	See attached schedule of Inter Company					
2	Transactions - Pages 226B and 260B					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
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21						
22						
23						
	TOTAL	0	0	0	0	0

HomeWorks Tri County Electric Cooperative

Schedule of Inter company Transactions - Pages 226B and 260B

For the Year Ended December 31, 2006

Account	Description	12/31/2005 Balance	Debits	Credits	12/31/2006 Balance	Interest for Year*
1.10.143.	A/C Receivable - Other - Tri Co Services	219,022.27	2,661,284.94	2,992,312.73	(112,005.52)	-
	Total	219,022.27	2,661,284.94	2,992,312.73	(112,005.52)	-
1.1.232.01	Account Payable - Tri-Co Services	2,680.39	14,738.58	12,058.19	-	-
1.1.232.07	Accounts Payable - Propane	4,710.29	72,288.50	67,578.21	-	-
	Total	7,390.68	87,027.08	79,636.40	-	-

*All monies were paid between Cooperative and Affiliate on a timely basis and no interest was charged/paid.

The 143 accounts include labor, fringe benefits, space charges and any expenses that are split between HomeWorks Tri-County Electric and Tri-Co Services. It also includes payments collected by Tri-County Electric for Tri-Co Services. All of these charges are run thru the 1.10.143. on Tri-County Electric and offset in the 2.1.232. on Tri-Co Services.

The payments that were received for Tri-Co Services in the 1.1.232.01 and the 1.1.232.07 are now being recorded in the 1.10.143. account.

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	N/A	TOTAL AMOUNT
1	Utility net operating income (page 114 line 20)	
2	Allocations: Allowance for funds used during construction	
3	Interest expense	
4	Other (specify)	
5	Net income for the year (page 117 line 68)	
6	Allocation of Net income for the year	
7	Add: Federal income tax expenses	
8		
9	Total pre-tax income	
10		
11	Add: Taxable income not reported on books:	
12		
13		
14		
15	Add: Deductions recorded on books not deducted from return	
16		
17		
18		
19	Subtract: Income recorded on books not included in return:	
20		
21		
22		
23	Subtract: Deductions on return not charged against book income:	
24		
25		
26	Federal taxable income for the year	0

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)

3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2
4. A substitute page, designed to meet a particular need of a company, may be used as long as data is consistent and meets the requirements of the above instructions.

Utility	Other	Line No.
N/A		1
		2
		3
		4
		5
		6
		7
		8
		9
		10
		11
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		25
		26

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421. 2)

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.
2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).
3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2	Various Equipment (5)	204,862	N/A	19,261.72	
3	Brownsfield Tax Credit	150,535		37,564.26	
4					
5					
6					
7					
8					
9					
10					
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12					
13					
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15					
16					
17	Total Gain	204,862		56,825.98	

Name of Respondent HomeWorks Tri-County Electric		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)					
Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
18	Loss on disposition of property:				
19	Various Equipment (32)	157,698	N/A		33,758.62
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34	Total Loss	157,698			33758.62

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account

426.4, Expenditures for Certain civic, Political and Related Activities.)
(a) Name and address of person or organization rendering services,
(b) description of services received during year and project or case to which services relate,
(c) basis of charges,
(d) total charges for the year, detailing utility department and account charged.

2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.
3. Designate with an asterisk associated companies.

Line No.	Name / Address	Service	Basis of Charges	Acct #	Amount
1	Michigan Electric Cooperative	Legal, Advertising,	Varies	908	177,705
2	Association	Legislative Service,		921	
3	2859 W Jolly Rd	Training		580	
4	Okemos MI 48864-3547			930.1	
5					
6					
7					
8	Maner, Costerisan & Ellis P.C.	Audit/Accounting Services	Contract Pricing	923	31,573
9	544 Cherbourg Dr; Suite 20				
10	Lansing MI 48917				
11					
12	Law Offices of Dykema Gossett	Legal Services	Hourly Fee	923	39,075
13	800 Michigan National Tower				
14	Lansing MI 48933				
15					
16	Utility Systems Engineering	Construction research	Hourly Fee	107.2	56,175
17	7601 Paragon Rd; Suite 101	Engineering, Valuation		580	
18	Centerville OH 45459			183	
19				186	
20					
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35					

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report December 31, 2006
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company.
 2. In column (b) describe the affiliation (percentage ownership, etc.).
 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).
 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Tri-Co Services	100%	Administrative,	1.20.454.	129,179
2			Expenses Reimbursement		
3			Contract Employees,		
4			Office/Facilities Rent		
5					
6					
7					
8					
9					
10					
11					
12					
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26					
27					
28					
29					
30					
TOTAL					129,179

Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report 12/31/06
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SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.)

Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
N/A						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
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Name of Respondent HomeWorks Tri-County Electric	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/07	Year of Report 12/31/06
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SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company. services provided (administrative and general expenses, dividends declared, etc.).
2. In column (b) describe the affiliation (percentage ownership, etc.).
3. In column (c) describe the nature of the goods and 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	N/A				
2					
3					
4					
5					
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26					
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29					
30					
TOTAL					

Name of Respondent HomeWorks Tri-County Electric		This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/25/07	Year of Report 12/31/06	
SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)						
5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.				reported.		
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which				7. In column (j) report the total.		
				8. In column (k) indicate the pricing method (cost, per contract terms, etc.)		
Account Number (f)	Amount Classified to Non-Operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
N/A						1
						2
						3
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