

## WISCONSIN PUBLIC POWER INC.

### Statement of Net Assets December 31, 2007 and 2006

	2007	2006
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 27,537,196	\$ 22,808,817
Restricted cash and investments	68,733,527	73,544,759
Receivables:		
Power sales	24,193,517	21,519,253
Other	448,317	524,047
Unrestricted interest	606,256	552,134
Restricted interest	2,976,900	4,070,421
Total receivables	28,224,990	26,665,855
Inventories	3,704,243	3,566,733
Prepayments	423,560	1,067,880
Total current assets	128,623,516	127,654,044
Noncurrent assets:		
Restricted cash and investments	129,911,572	174,445,019
Investments	553,868	675,801
Investment in ATC	49,785,744	43,269,461
Receivables from members	221,626	281,910
Total non-current assets	180,472,810	218,672,191
Deferred costs:		
Unamortized bond issuance costs	5,197,508	5,533,415
Future recoverable costs	21,886,269	21,542,177
Fair value of interest rate swap	-	1,677,053
Regulatory asset	3,941,135	-
Other	1,112,114	2,117,488
Total deferred costs	32,137,026	30,870,133
Capital assets:		
Electric plant and equipment	211,235,558	210,133,168
Accumulated depreciation and amortization	(97,037,685)	(91,388,605)
Electric plant and equipment, net	114,197,873	118,744,563
Land	242,008	242,008
Construction work in progress	123,057,401	63,063,956
Total capital assets	237,497,282	182,050,527
Total assets	\$ 578,730,634	\$ 559,246,895

See accompanying notes to financial statements and independent auditors' report.

# WISCONSIN PUBLIC POWER INC.

## Statement of Net Assets December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Liabilities payable from restricted assets:		
Current maturities of long-term debt	\$ 9,325,000	\$ 6,085,000
Accrued interest	5,515,800	5,533,233
Accounts payable	30,206,375	22,705,806
Other current liabilities	1,854,917	89,153
Total current liabilities	<u>46,902,092</u>	<u>34,413,192</u>
Deferred credits and other liabilities		
Operating reserves and other liabilities	12,708,005	11,484,619
Rate stabilization	36,555,985	36,557,320
Fair value of interest rate swap agreement	3,941,135	-
Regulatory liability	-	1,677,053
Asset retirement obligation	2,090,749	1,991,190
Total deferred credits and other liabilities	<u>55,295,874</u>	<u>51,710,182</u>
Long-term debt:		
Revenue bonds (net of unamortized premium)	381,231,881	389,024,923
Total liabilities	483,429,847	475,148,297
Net assets:		
Invested in capital assets, net of related debt	(48,866,238)	(64,967,255)
Restricted	102,626,145	109,501,473
Unrestricted	41,540,880	39,564,380
Total net assets	<u>95,300,787</u>	<u>84,098,598</u>
Total net assets and liabilities	<u>\$ 578,730,634</u>	<u>\$ 559,246,895</u>

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