



3014 (02-02-05)

ANNUAL REPORT

OF

Name: SHOREWOOD MUNICIPAL WATER UTILITY

Principal Office: 3930 N. MURRAY AVENUE
SHOREWOOD, WI 53211

For the Year Ended: DECEMBER 31, 2006

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

TABLE OF CONTENTS

Schedule Name	Page
General Rules for Reporting	i
Signature Page	ii
Table of Contents	iii
Identification and Ownership	iv
FINANCIAL SECTION	
Income Statement	F-01
Income Statement Account Details	F-02
Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)	F-03
Revenues Subject to Wisconsin Remainder Assessment	F-04
Distribution of Total Payroll	F-05
Full-Time Employees (FTE)	F-05
Balance Sheet	F-06
Net Utility Plant	F-07
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110.1)	F-08
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110.2)	F-09
Net Nonutility Property (Accts. 121 & 122)	F-10
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-11
Materials and Supplies	F-12
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-13
Capital Paid in by Municipality (Acct. 200)	F-14
Bonds (Acct. 221)	F-15
Notes Payable & Miscellaneous Long-Term Debt	F-16
Taxes Accrued (Acct. 236)	F-17
Interest Accrued (Acct. 237)	F-18
Balance Sheet End-of-Year Account Balances	F-19
Return on Rate Base Computation	F-20
Important Changes During the Year	F-21
Regulatory Liability - Pre-2003 Historical Accumulated Depreciation on Contributed Utility	F-22
Financial Section Footnotes	F-23
WATER OPERATING SECTION	
Water Operating Revenues & Expenses	W-01
Water Operating Revenues - Sales of Water	W-02
Sales for Resale (Acct. 466)	W-03
Other Operating Revenues (Water)	W-04
Water Operation & Maintenance Expenses	W-05
Taxes (Acct. 408 - Water)	W-06
Property Tax Equivalent (Water)	W-07
Property Tax Equivalent (Water)	W-07
Water Utility Plant in Service --Plant Financed by Utility or Municipality--	W-08
Water Utility Plant in Service --Plant Financed by Contributions--	W-10
Source of Supply, Pumping and Purchased Water Statistics	W-12
Sources of Water Supply - Ground Waters	W-13
Sources of Water Supply - Surface Waters	W-14
Pumping & Power Equipment	W-15
Reservoirs, Standpipes & Water Treatment	W-16
Water Mains	W-17
Water Services	W-18
Meters	W-19
Hydrants and Distribution System Valves	W-20

TABLE OF CONTENTS

Schedule Name	Page
WATER OPERATING SECTION Water Operating Section Footnotes	W-21

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: SHOREWOOD MUNICIPAL WATER UTILITY

Utility Address: 3930 N. MURRAY AVENUE
SHOREWOOD, WI 53211

When was utility organized? 6/16/1905

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: SHEREE REININGER

Title: FINANCE DIRECTOR - TREASURER

Office Address:

3930 N. MURRAY AVENUE
SHOREWOOD, WI 53211

Telephone: (414) 847 - 2601

Fax Number: () -

E-mail Address: N/A

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

Name: WENDI UNGER

Title: SENIOR MANAGER

Office Address: VIRCHOW, KRAUSE & COMPANY

115 S. 84TH STREET STE 400
MILWAUKEE, WI 53214-1475

Telephone: (414) 777 - 5423

Fax Number: (414) 777 - 5555

E-mail Address: wunger@virchowkrause.com

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

Name: GUY JOHNSON

Title: PRESIDENT

Office Address:

3930 N MURRAY AVENUE
SHOREWOOD, WI 53211

Telephone: (414) 229 - 5685

Fax Number:

E-mail Address:

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

IDENTIFICATION AND OWNERSHIP

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

Name: WENDI UNGER

Title: SENIOR MANAGER

Office Address: VIRCHOW, KRAUSE & COMPANY
115 S. 84TH STREET STE 400
MILWAUKEE, WI 53214-1475

Telephone: (414) 777 - 5423

Fax Number: (414) 777 - 5555

E-mail Address: wunger@virchowkrause.com

Date of most recent audit report: 3/24/2007

Period covered by most recent audit: 1/1/2006 - 12/31/2006

Names and titles of utility management including manager or superintendent:

Name: MR JAMES F BARTNICKI

Title: DIRECTOR OF PUBLIC WORKS

Office Address:
3930 N. MURRAY AVENUE
SHOREWOOD, WI 53211

Telephone: (414) 847 - 2601

Fax Number: () -

E-mail Address: N/A

Name of utility commission/committee: SHOREWOOD MUNICIPAL WATER UTILITY

Names of members of utility commission/committee:

- DAWN ANDERSON, VILLAGE TRUSTEE
- ELLEN ECKMAN, VILLAGE TRUSTEE
- JEFF HANEWALL, VILLAGE TRUSTEE
- MARGARET W HICKEY, VILLAGE TRUSTEE
- GUY JOHNSON, VILLAGE PRESIDENT
- MICHAEL MAHER, VILLAGE TRUSTEE
- MICHAEL A PHINNEY, VILLAGE TRUSTEE

Is sewer service rendered by the utility? NO

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

Date of Ordinance: [REDACTED]

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

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

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

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

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	986,849	998,186	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	853,785	841,262	2
Depreciation Expense (403)	63,131	47,557	3
Amortization Expense (404-407)	0	0	4
Taxes (408)	56,138	52,529	5
Total Operating Expenses	973,054	941,348	
Net Operating Income	13,795	56,838	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	13,795	56,838	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Income from Nonutility Operations (417)	0	0	8
Nonoperating Rental Income (418)	0	0	9
Interest and Dividend Income (419)	493	2,477	10
Miscellaneous Nonoperating Income (421)	3,728	0	11
Total Other Income	4,221	2,477	
Total Income	18,016	59,315	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(6,545)	(6,545)	12
Other Income Deductions (426)	7,217	5,496	13
Total Miscellaneous Income Deductions	672	(1,049)	
Income Before Interest Charges	17,344	60,364	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	13,294	9,148	14
Amortization of Debt Discount and Expense (428)	0	0	15
Amortization of Premium on Debt--Cr. (429)	0	0	16
Interest on Debt to Municipality (430)	18,792	21,883	17
Other Interest Expense (431)	0	0	18
Interest Charged to Construction--Cr. (432)	0	0	19
Total Interest Charges	32,086	31,031	
Net Income	(14,742)	29,333	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	949,179	1,001,733	20
Balance Transferred from Income (433)	(14,742)	29,333	21
Miscellaneous Credits to Surplus (434)	0	0	22
Miscellaneous Debits to Surplus--Debit (435)	0	81,887	23
Appropriations of Surplus--Debit (436)	0	0	24
Appropriations of Income to Municipal Funds--Debit (439)	0	0	25
Total Unappropriated Earned Surplus End of Year (216)	934,437	949,179	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
 2. Nonregulated sewer income should be reported as Income from Nonutility Operations, Account 417.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	986,849		986,849	1
Total (Acct. 400):	986,849	0	986,849	
Operation and Maintenance Expense (401-402):				
Derived	853,785		853,785	2
Total (Acct. 401-402):	853,785	0	853,785	
Depreciation Expense (403):				
Derived	63,131		63,131	3
Total (Acct. 403):	63,131	0	63,131	
Amortization Expense (404-407):				
Derived	0		0	4
Total (Acct. 404-407):	0	0	0	
Taxes (408):				
Derived	56,138		56,138	5
Total (Acct. 408):	56,138	0	56,138	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	13,795	0	13,795	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Income from Nonutility Operations (417):				
NONE	0		0	9
Total (Acct. 417):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	10
Total (Acct. 418):	0	0	0	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Income from Nonutility Operations, Account 417.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Interest and Dividend Income (419):			
INVESTMENT INCOME	493	0	493 11
Total (Acct. 419):	493	0	493
Miscellaneous Nonoperating Income (421):			
Contributed Plant - Water			0 12
MISCELLANEOUS	3,728	0	3,728 13
Total (Acct. 421):	3,728	0	3,728
TOTAL OTHER INCOME:	4,221	0	4,221
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(6,545)		(6,545) 14
NONE	0	0	0 15
Total (Acct. 425):	(6,545)	0	(6,545)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		7,217	7,217 16
NONE	0	0	0 17
Total (Acct. 426):	0	7,217	7,217
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(6,545)	7,217	672
INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	13,294		13,294 18
Total (Acct. 427):	13,294	0	13,294
Amortization of Debt Discount and Expense (428):			
NONE	0		0 19
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 20
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	18,792		18,792 21
Total (Acct. 430):	18,792	0	18,792

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
 2. Nonregulated sewer income should be reported as Income from Nonutility Operations, Account 417.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Other Interest Expense (431):			
Derived	0		0 22
Total (Acct. 431):	0	0	0
Interest Charged to Construction--Cr. (432):			
NONE	0		0 23
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	32,086	0	32,086
NET INCOME:	(7,525)	(7,217)	(14,742)
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	581,243	367,936	949,179 24
Total (Acct. 216):	581,243	367,936	949,179
Balance Transferred from Income (433):			
Derived	(7,525)	(7,217)	(14,742) 25
Total (Acct. 433):	(7,525)	(7,217)	(14,742)
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 26
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 27
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 28
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 29
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	573,718	360,719	934,437

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs & Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	986,849	0	0	0	986,849	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents	0	0		0	0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify: NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	986,849	0	0	0	986,849	

DISTRIBUTION OF TOTAL PAYROLL

1. Amounts charged to Utility Financed and to Contributed Plant accounts should be combined and reported in plant or accumulated depreciation accounts.
2. Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
3. The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
4. Provide additional information in the schedule footnotes when necessary.

Accounts Charged (a)	Direct Payroll Distribution (b)	Allocation of Amounts Charged Clearing Accts. (c)	Total (d)	
Water operating expenses	163,576		163,576	1
Electric operating expenses			0	2
Gas operating expenses			0	3
Heating operating expenses			0	4
Sewer operating expenses			0	5
Merchandising and jobbing			0	6
Other nonutility expenses			0	7
Water utility plant accounts			0	8
Electric utility plant accounts			0	9
Gas utility plant accounts			0	10
Heating utility plant accounts			0	11
Sewer utility plant accounts			0	12
Accum. prov. for depreciation of water plant			0	13
Accum. prov. for depreciation of electric plant			0	14
Accum. prov. for depreciation of gas plant			0	15
Accum. prov. for depreciation of heating plant			0	16
Accum. prov. for depreciation of sewer plant			0	17
Clearing accounts			0	18
All other accounts			0	19
Total Payroll	163,576	0	163,576	

FULL-TIME EMPLOYEES (FTE)

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

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

Industry (a)	FTE (b)	
Water	3	1
Electric		2
Gas		3
Sewer		4

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,728,556	2,520,369	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	799,249	735,902	2
Net Utility Plant	1,929,307	1,784,467	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	0	0	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	248,200	80,647	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	200,275	189,882	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	63,040	46,648	14
Materials and Supplies (150)	34,568	33,847	15
Prepayments (165)	0	150	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	546,083	351,174	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	7,869	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	7,869	0	
Total Assets and Other Debits	2,483,259	2,135,641	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	232,883	232,883	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	934,437	949,179	23
Total Proprietary Capital	1,167,320	1,182,062	
LONG-TERM DEBT			
Bonds (221)	605,000	0	24
Advances from Municipality (223)	296,918	532,032	25
Other Long-Term Debt (224)	195,713	204,213	26
Total Long-Term Debt	1,097,631	736,245	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	50,538	44,549	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)	528	943	30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	21,244	25,496	32
Other Current and Accrued Liabilities (238)	34,739	28,542	33
Total Current and Accrued Liabilities	107,049	99,530	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	111,259	117,804	36
Total Deferred Credits	111,259	117,804	
OPERATING RESERVES			
Property Insurance Reserve (261)			37
Injuries and Damages Reserve (262)			38
Pensions and Benefits Reserve (263)			39
Miscellaneous Operating Reserves (265)			40
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	2,483,259	2,135,641	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	2,520,369	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (101.1)	2,219,359	0	0	0	2
Utility Plant in Service - Contributed Plant (101.2)	509,197	0	0	0	3
Utility Plant Purchased or Sold (102)					4
Utility Plant in Process of Reclassification (103)					5
Utility Plant Leased to Others (104)					6
Property Held for Future Use (105)					7
Completed Construction not Classified (106)					8
Construction Work in Progress (107)					9
Utility Plant Acquisition Adjustments (108)					10
Other Utility Plant Adjustments (109)					11
Total Utility Plant	2,728,556	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	650,771	0	0	0	12
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	148,478	0	0	0	13
Total Accumulated Provision	799,249	0	0	0	
Net Utility Plant	1,929,307	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	593,295				593,295	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	63,131				63,131	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	12,011				12,011	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	75,142	0	0	0	75,142	16
Debits during year						17
Book cost of plant retired	17,666				17,666	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	17,666	0	0	0	17,666	25
Balance end of year (110.1)	650,771	0	0	0	650,771	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	142,607				142,607	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	7,217				7,217	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	7,217	0	0	0	7,217	16
Debits during year						17
Book cost of plant retired	1,346				1,346	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	1,346	0	0	0	1,346	25
Balance end of year (110.1)	148,478	0	0	0	148,478	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	0	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	0	
Balance end of year	0	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	0
Other					0	0
Total Electric Utility					0	0

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0
Water utility	34,568	33,847
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	34,568	33,847

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
WATER UTILITY AMORTIZATION OF BOND DISCOUNT 12-06	0	428	7,869	1
Total			<u><u>7,869</u></u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u><u>0</u></u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

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

Particulars (a)	Amount (b)	
Balance first of year	232,883	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>232,883</u></u>	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
GO BOND	12/20/2006	10/01/2016	3.60%	605,000	1
Total Bonds (Account 221):				605,000	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

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

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances (223)					
1997 ADVANCE	03/15/1996	03/15/2011	5.75%	220,323	1
2005 ADVANCE	06/15/2005	06/15/2006	2.50%	0	2
2002 ADVANCE	12/31/2002	03/01/2013	4.50%	76,595	3
Total for Account 223				296,918	
Other Long-Term Debt (224)					
2005 STATE TRUST LOAN UFPL	01/24/2005	03/15/2024	5.25%	79,740	4
2004 STATE TRUST FUND LOAN	04/22/2004	03/15/2029	5.75%	115,973	5
Total for Account 224				195,713	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	56,138	2
Charged electric department expense		3
Charged sewer department expense	3,944	4
Other (explain):		
NONE		5
Total Accruals and other credits	60,082	
Taxes paid during year:		
County, state and local taxes	45,681	6
Social Security taxes	13,627	7
PSC Remainder Assessment	774	8
Other (explain):		
NONE		9
Total payments and other debits	60,082	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

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

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
GO BOND	0	667		667	1
Subtotal	0	667	0	667	
Advances from Municipality (223)					
1997 ADVANCE	11,720	13,113	14,804	10,029	2
2002 ADVANCE	3,215	3,515	3,858	2,872	3
2005 ADVANCE TO WATER UTILITY	2,557	2,164	4,721	0	4
Subtotal	17,492	18,792	23,383	12,901	
Other Long-Term Debt (224)					
2004 STATE TRUST FUND LOAN	4,600	5,571	5,810	4,361	5
2005 STATE TRUST FUND LOAN UNPL	3,404	7,056	7,145	3,315	6
Subtotal	8,004	12,627	12,955	7,676	
Notes Payable (231)					
NONE	0			0	7
Subtotal	0	0	0	0	
Total	25,496	32,086	36,338	21,244	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)		Balance End of Year (b)
Investment in Municipality (123):		
NONE	0	1
Total (Acct. 123):	0	
Other Investments (124):		
NONE	0	2
Total (Acct. 124):	0	
Special Funds (125):		
NONE	0	3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE	0	4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	200,275	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	200,275	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
DELINQUENTS PLACED ON TAX ROLL	63,040	12
Total (Acct. 145):	63,040	
Prepayments (165):		
NONE	0	13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE	0	14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE	0	15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

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

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
NONE		16
Total (Acct. 233):	0	
Other Deferred Credits (253):		
Regulatory Liability	111,259	17
NONE		18
Total (Acct. 253):	111,259	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (101.1)	2,112,547	0	0	0	2,112,547	1
Materials and Supplies	34,207	0	0	0	34,207	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	622,033	0	0	0	622,033	4
Customer Advances for Construction					0	5
Regulatory Liability	114,531	0	0	0	114,531	6
NONE					0	7
Average Net Rate Base	1,410,190	0	0	0	1,410,190	
Net Operating Income	13,795	0	0	0	13,795	8
Net Operating Income as a percent of						
Average Net Rate Base	0.98%	N/A	N/A	N/A	0.98%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

**REGULATORY LIABILITY - PRE-2003 HISTORICAL
ACCUMULATED DEPRECIATION ON CONTRIBUTED UTILITY
PLANT (253)**

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Balance First of Year	117,804	0	0	0	117,804	1
Add credits during year:						
NONE					0	2
Deduct charges:						
Miscellaneous Amortization (425)	6,545	0	0	0	6,545	3
Other (specify):						
NONE					0	4
Balance End of Year	111,259	0	0	0	111,259	

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-19)

Please explain amounts in Accounts 143, 145 and/or 233 in excess of \$5,000, providing a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Done

Identification and Ownership (Page iv)

General footnotes

ACCOUNTANTS' COMPILATION REPORT

To the Governing Body
Village of Shorewood Water Utility
Shorewood, Wisconsin

We have compiled, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, the balance sheets of the Shorewood Water Utility, an enterprise fund of the Village of Shorewood as of December 31, 2006 and 2005, and the related statements of income and retained earnings for the years then ended and the supplemental schedules as of and for the year ended December 31, 2006 in the accompanying prescribed form.

Our compilation was limited to presenting, in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplemental schedules referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial statements and related supplemental schedules are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Public Service Commission of Wisconsin and is not intended and should not be used by anyone other than the specified party.

Madison, Wisconsin
March 24, 2007

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	969,746	964,266	1
Total Sales of Water	969,746	964,266	
Other Operating Revenues			
Forfeited Discounts (470)	4,685	4,853	2
Miscellaneous Service Revenues (471)	2,809	2,712	3
Rents from Water Property (472)	0	0	4
Interdepartmental Rents (473)	0	0	5
Other Water Revenues (474)	9,609	26,355	6
Total Other Operating Revenues	17,103	33,920	
Total Operating Revenues	986,849	998,186	
Operation and Maintenance Expenses			
Source of Supply Expenses (600-605)	534,878	541,420	7
Pumping Expenses (620-625)	0	0	8
Water Treatment Expenses (630-635)	0	0	9
Transmission and Distribution Expenses (640-655)	141,563	130,057	10
Customer Accounts Expenses (901-904)	22,655	21,032	11
Sales Expenses (910)	0	0	12
Administrative and General Expenses (920-935)	154,689	148,753	13
Total Operation and Maintenance Expenses	853,785	841,262	
Other Operating Expenses			
Depreciation Expense (403)	63,131	47,557	14
Amortization Expense (404-407)		0	15
Taxes (408)	56,138	52,529	16
Total Other Operating Expenses	119,269	100,086	
Total Operating Expenses	973,054	941,348	
NET OPERATING INCOME	13,795	56,838	

WATER OPERATING REVENUES - SALES OF WATER

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

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	3,232	235,300	534,023	4
Commercial	250	122,123	212,714	5
Industrial				6
Total Metered Sales to General Customers (461)	3,482	357,423	746,737	
Private Fire Protection Service (462)	35		9,015	7
Public Fire Protection Service (463)	1		191,508	8
Other Sales to Public Authorities (464)	28	11,002	22,486	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	3,546	368,425	969,746	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------	----------------------------------	--	-------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	191,508	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify): NONE		4
Total Public Fire Protection Service (463)	191,508	
Forfeited Discounts (470):		
Customer late payment charges	4,685	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	4,685	
Miscellaneous Service Revenues (471):		
MISCELLANEOUS EQUIPMENT RENTAL	2,809	7
Total Miscellaneous Service Revenues (471)	2,809	
Rents from Water Property (472):		
NONE		8
Total Rents from Water Property (472)	0	
Interdepartmental Rents (473):		
NONE		9
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	9,609	10
Other (specify): NONE		11
Total Other Water Revenues (474)	9,609	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 25 percent, but not less than \$5,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
SOURCE OF SUPPLY EXPENSES			
Operation Labor (600)		0	1
Purchased Water (601)	534,878	541,420	2
Operation Supplies and Expenses (602)		0	3
Maintenance of Water Source Plant (605)		0	4
Total Source of Supply Expenses	534,878	541,420	
PUMPING EXPENSES			
Operation Labor (620)		0	5
Fuel for Power Production (621)		0	6
Fuel or Power Purchased for Pumping (622)		0	7
Operation Supplies and Expenses (623)		0	8
Maintenance of Pumping Plant (625)		0	9
Total Pumping Expenses	0	0	
WATER TREATMENT EXPENSES			
Operation Labor (630)		0	10
Chemicals (631)		0	11
Operation Supplies and Expenses (632)		0	12
Maintenance of Water Treatment Plant (635)		0	13
Total Water Treatment Expenses	0	0	
TRANSMISSION AND DISTRIBUTION EXPENSES			
Operation Labor (640)		0	14
Operation Supplies and Expenses (641)		0	15
Maintenance of Distribution Reservoirs and Standpipes (650)	937	1,476	16
Maintenance of Mains (651)	111,753	80,975	17
Maintenance of Services (652)	11,640	22,418	18
Maintenance of Meters (653)	3,438	11,795	19
Maintenance of Hydrants (654)	6,977	7,204	20
Maintenance of Other Plant (655)	6,818	6,189	21
Total Transmission and Distribution Expenses	141,563	130,057	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 25 percent, but not less than \$5,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
CUSTOMER ACCOUNTS EXPENSES			
Meter Reading Labor (901)	0		22
Accounting and Collecting Labor (902)	19,393	18,173	23
Supplies and Expenses (903)	3,262	2,859	24
Uncollectible Accounts (904)	0		25
Total Customer Accounts Expenses	22,655	21,032	
SALES EXPENSES			
Sales Expenses (910)	0		26
Total Sales Expenses	0	0	
ADMINISTRATIVE AND GENERAL EXPENSES			
Administrative and General Salaries (920)	42,802	27,654	27
Office Supplies and Expenses (921)	8,778	4,047	28
Administrative Expenses Transferred--Credit (922)	0		29
Outside Services Employed (923)	13,179	11,389	30
Property Insurance (924)	10,707	13,055	31
Injuries and Damages (925)	0		32
Employee Pensions and Benefits (926)	63,616	76,601	33
Regulatory Commission Expenses (928)	0	3,220	34
Miscellaneous General Expenses (930)	0		35
Transportation Expenses (933)	0		36
Maintenance of General Plant (935)	15,607	12,787	37
Total Administrative and General Expenses	154,689	148,753	
Total Operation and Maintenance Expenses	853,785	841,262	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent		45,681	43,692	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		3,944	3,920	2
Net property tax equivalent		41,737	39,772	
Social Security		13,627	11,875	3
PSC Remainder Assessment		774	882	4
Other (specify): NONE			0	5
Total tax expense		56,138	52,529	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service (total of utility financed and contributed plant), property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.0811(2). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Milwaukee				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.258723				3
County tax rate	mills		5.782596				4
Local tax rate	mills		9.443182				5
School tax rate	mills		16.225265				6
Voc. school tax rate	mills		2.608231				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		1.916159				9
Total tax rate	mills		36.234156				10
Less: state credit	mills		2.470449				11
Net tax rate	mills		33.763707				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		9.443182				14
Combined School Tax Rate	mills		18.833496				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		28.276678				17
Total Tax Rate	mills		36.234156				18
Ratio of Local and School Tax to Total	dec.		0.780387				19
Total tax net of state credit	mills		33.763707				20
Net Local and School Tax Rate	mills		26.348771				21
Utility Plant, Jan. 1	\$	2,520,369	2,520,369				22
Materials & Supplies	\$	33,847	33,847				23
Subtotal	\$	2,554,216	2,554,216				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	2,554,216	2,554,216				26
Assessment Ratio	dec.		0.678759				27
Assessed Value	\$	1,733,697	1,733,697				28
Net Local & School Rate	mills		26.348771				29
Tax Equiv. Computed for Current Year	\$	45,681	45,681				30
Tax Equivalent per 1994 PSC Report	\$	43,692					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32 33
Tax equiv. for current year (see note 6)	\$	45,681					34

WATER UTILITY PLANT IN SERVICE --Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	0		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE --Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	6,188		25
Distribution Reservoirs and Standpipes (342)	0		26
Transmission and Distribution Mains (343)	580,628	150,246	27
Fire Mains (344)	0		28
Services (345)	323,499	42,200	29
Meters (346)	441,044	968	30
Hydrants (348)	487,987	24,240	31
Other Transmission and Distribution Plant (349)	19,940	11,150	32
Total Transmission and Distribution Plant	1,859,286	228,804	
GENERAL PLANT			
Land and Land Rights (389)	0		33
Structures and Improvements (390)	0		34
Office Furniture and Equipment (391)	2,744		35
Computer Equipment (391.1)	3,366		36
Transportation Equipment (392)	98,892		37
Stores Equipment (393)	0		38
Tools, Shop and Garage Equipment (394)	41,448	2,485	39
Laboratory Equipment (395)	0		40
Power Operated Equipment (396)	0		41
Communication Equipment (397)	0		42
SCADA Equipment (397.1)	0		43
Miscellaneous Equipment (398)	0		44
Other Tangible Property (399)	0		45
Total General Plant	146,450	2,485	
Total utility plant in service directly assignable	2,005,736	231,289	
Common Utility Plant Allocated to Water Department	0		46
Total utility plant in service	2,005,736	231,289	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			6,188 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)	293		730,581 27
Fire Mains (344)			0 28
Services (345)	682		365,017 29
Meters (346)	9,562	0	432,450 30
Hydrants (348)	7,129		505,098 31
Other Transmission and Distribution Plant (349)			31,090 32
Total Transmission and Distribution Plant	17,666	0	2,070,424
GENERAL PLANT			
Land and Land Rights (389)			0 33
Structures and Improvements (390)			0 34
Office Furniture and Equipment (391)			2,744 35
Computer Equipment (391.1)			3,366 36
Transportation Equipment (392)			98,892 37
Stores Equipment (393)			0 38
Tools, Shop and Garage Equipment (394)			43,933 39
Laboratory Equipment (395)			0 40
Power Operated Equipment (396)			0 41
Communication Equipment (397)			0 42
SCADA Equipment (397.1)			0 43
Miscellaneous Equipment (398)			0 44
Other Tangible Property (399)			0 45
Total General Plant	0	0	148,935
Total utility plant in service directly assignable	17,666	0	2,219,359
Common Utility Plant Allocated to Water Department			0 46
Total utility plant in service	17,666	0	2,219,359

**WATER UTILITY PLANT IN SERVICE
--Plant Financed by Contributions--**

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	0		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE --Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)
TRANSMISSION AND DISTRIBUTION PLANT		
Land and Land Rights (340)	0	24
Structures and Improvements (341)	0	25
Distribution Reservoirs and Standpipes (342)	0	26
Transmission and Distribution Mains (343)	444,702	27
Fire Mains (344)	0	28
Services (345)	0	29
Meters (346)	0	30
Hydrants (348)	65,841	31
Other Transmission and Distribution Plant (349)	0	32
Total Transmission and Distribution Plant	510,543	0
GENERAL PLANT		
Land and Land Rights (389)	0	33
Structures and Improvements (390)	0	34
Office Furniture and Equipment (391)	0	35
Computer Equipment (391.1)	0	36
Transportation Equipment (392)	0	37
Stores Equipment (393)	0	38
Tools, Shop and Garage Equipment (394)	0	39
Laboratory Equipment (395)	0	40
Power Operated Equipment (396)	0	41
Communication Equipment (397)	0	42
SCADA Equipment (397.1)	0	43
Miscellaneous Equipment (398)	0	44
Other Tangible Property (399)	0	45
Total General Plant	0	0
Total utility plant in service directly assignable	510,543	0
Common Utility Plant Allocated to Water Department	0	46
Total utility plant in service	510,543	0

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)	281		444,421 27
Fire Mains (344)			0 28
Services (345)			0 29
Meters (346)			0 30
Hydrants (348)	1,065		64,776 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	1,346	0	509,197
GENERAL PLANT			
Land and Land Rights (389)			0 33
Structures and Improvements (390)			0 34
Office Furniture and Equipment (391)			0 35
Computer Equipment (391.1)			0 36
Transportation Equipment (392)			0 37
Stores Equipment (393)			0 38
Tools, Shop and Garage Equipment (394)			0 39
Laboratory Equipment (395)			0 40
Power Operated Equipment (396)			0 41
Communication Equipment (397)			0 42
SCADA Equipment (397.1)			0 43
Miscellaneous Equipment (398)			0 44
Other Tangible Property (399)			0 45
Total General Plant	0	0	0
Total utility plant in service directly assignable	1,346	0	509,197
Common Utility Plant Allocated to Water Department			0 46
Total utility plant in service	1,346	0	509,197

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Sources of Water Supply					
Month	Purchased Water Gallons (000's)	Surface Water Gallons (000's)	Ground Water Gallons (000's)	Total Gallons All Methods (000's)	
(a)	(b)	(c)	(d)	(e)	
January	40,856			40,856	1
February	36,484			36,484	2
March	34,808			34,808	3
April	32,111			32,111	4
May	39,622			39,622	5
June	40,422			40,422	6
July	50,176			50,176	7
August	45,553			45,553	8
September	38,238			38,238	9
October	38,503			38,503	10
November	35,548			35,548	11
December	31,932			31,932	12
Total annual pumpage	464,253	0	0	464,253	
Less: Water sold				368,425	13
Volume pumped but not sold				95,828	14
Volume sold as a percent of volume pumped				79%	15
Volume used for water production, water quality and system maintenance					16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				0	19
Volume pumped but unaccounted for				95,828	20
Percent of water lost				21%	21
If more than 25%, indicate causes:					22
If more than 25%, state what action has been taken to reduce water loss:					23
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)					24
Date of maximum:					25
Cause of maximum:					26
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)					27
Date of minimum:					28
Total KWH used for pumping for the year				0	29
If water is purchased: Vendor Name: Milwaukee Waterworks					30
Point of Delivery: NORTH DOWNER AVENUE					31

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)
-----------------	---------------------------------	-------------------------	-----------------------------------	------------------------------------	---------------------------------

NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

PUMPING & POWER EQUIPMENT

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

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------------	-----------------------------	-----------------------------	-----------------------------

NONE

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
--------------------	---------------	---------------	---------------

NONE

WATER MAINS

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

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	6.000	117,640	692	692	0	117,640	1
M	D	8.000	34,210	31	31	0	34,210	2
M	D	12.000	9,823	0	0	0	9,823	3
M	D	16.000	7,373	0	0	0	7,373	4
Total Within Municipality			169,046	723	723	0	169,046	
Total Utility			169,046	723	723	0	169,046	

WATER SERVICES

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

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
L	0.625	284	0	0	0	284		1
L	0.750	2,781	0	0	0	2,781		2
M	0.750	53	0	0	0	53		3
L	1.000	108	0	26	0	82		4
M	1.000	104	26	0	0	130		5
L	1.250	6	0	0	0	6		6
M	1.250	10	0	0	0	10		7
L	1.500	10	0	0	0	10		8
M	1.500	44	0	0	0	44		9
L	2.000	29	0	0	0	29		10
M	2.000	66	0	0	0	66		11
M	3.000	14	0	0	0	14		12
M	4.000	7	0	0	0	7		13
M	6.000	2	0	0	0	2		14
Total Utility		3,518	26	26	0	3,518	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).
5. Explain all reported adjustments as a schedule footnote.

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	287	1	1	(1)	286	0	1
0.750	2,949	2	2	0	2,949	0	2
1.000	244	1	1	(1)	243	0	3
1.250	7	0	0	0	7	0	4
1.500	77	22	22	(20)	57	0	5
2.000	102	1	1	0	102	0	6
3.000	22	0	0	0	22	0	7
4.000	10	0	0	0	10	0	8
Total:	3,698	27	27	(22)	3,676	0	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	265	11	0	4	0	6	286	1
0.750	2,747	83	0	4	0	115	2,949	2
1.000	199	42	0	1	0	1	243	3
1.250	0	1	0	5	0	1	7	4
1.500	10	38	0	6	0	3	57	5
2.000	34	64	0	2	0	2	102	6
3.000	8	7	0	4	0	3	22	7
4.000	3	4	0	2	0	1	10	8
Total:	3,266	250	0	28	0	132	3,676	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	308	11	11		308	2
Total Fire Hydrants	308	11	11	0	308	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of hydrants operated during year:	308
Number of distribution system valves end of year:	423
Number of distribution valves operated during year:	423

WATER OPERATING SECTION FOOTNOTES

Other Operating Revenues (Water) (Page W-04)

Please explain amounts in Account 474 in excess of \$5,000, including like items grouped. Please provide, for example, a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Done

Water Operation & Maintenance Expenses (Page W-05)

If Fuel or Power Purchased for Pumping (622), divided by the Total kWh Used for Pumping on the Source of Supply, Pumping and Purchased Water Statistics schedule, is less than 3 cents or greater than 12 cents, please explain.

The Utility purchases water and has no power for pumping.

For values that represent an increase or a decrease when compared to the previous year of greater than 25%, but not less \$5,000, please explain.

Account 651 - Purchased more parts in 2006.

Account 652 - Purchased more parts in 2005 therefore used stock in 2006 rather than purchasing more parts.

Account 653 - Returned parts that were purchased in 2005, in 2006.

Account 920 - One water/sewer employee was assigned primarily to work in the Department of Publics Works in 2005, more water main breaks in 2006 than in 2005, and increase in labor wages of 2.25%.

Property Tax Equivalent (Water) (Page W-07)

If Other Tax Rate - Local and/or Other Tax Rate - Non-Local are greater than zero, please explain.

Other tax non-local is for MMSD.

Water Utility Plant in Service --Plant Financed by Utility or Municipality-- (Page W-08)

If Adjustments for any account are nonzero, please explain.

Water Mains (Page W-17)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

The water mains were financed through long-term debt issued in 2006.

Water Services (Page W-18)

If Utility-Owned Service Not In Use at End of Year is reported as zero, please explain.

No services not in use.

Meters (Page W-19)

Explain all reported adjustments.

Adjustments are to bring the count of meters to actual numbers on hand.

If Tested During Year column total is zero, please explain.

Meters are not tested as the utility participates in a meter replacement program.

WATER OPERATING SECTION FOOTNOTES

Meters (Page W-19)

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

The utility participates in a meter replacement program.

If 2-inch or greater meters are reported as residential, please explain.

These are large home with pools and/or sprinkler systems.

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

No. Meter is owned by Milwaukee water utility.
