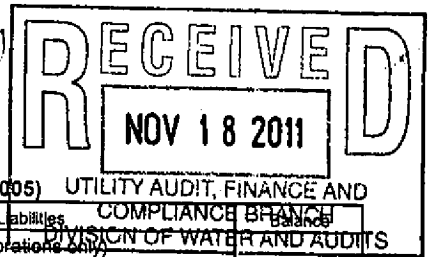


Bentow Water Revisited
of year 2005



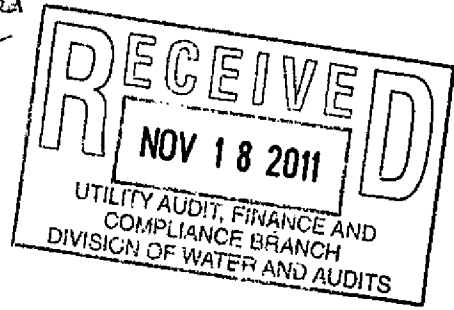
SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2005) UTILITY AUDIT, FINANCE AND COMPLIANCE BRANCH DIVISION OF WATER AND AUDITS

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	616,964.30	201	Common Stock (Corporations only)	
2	101.1	SDWA Plant		211	Other paid-in capital (Corporations only)	
3	103	Water plant held for future use		215	Retained earnings ²	-197,374.79
4	104	Water plant purchased or sold		218	Proprietary capital	-54,387.84
5	105	Water plant construction work in progress		224	Long term debt	-132,108.99
6	108	Accumulated depreciation of water plant ¹	-247,676.55		Current Liabilities	-40,174.17
7	114	Water plant acquisition adjustments		252	Advances for construction	
8	124	Other investments		253	Other deferred credits	12,150.62
9	131	Cash	14,513.37	255	Accumulated deferred investment tax credits	
10	141	Accounts receivable - customers	24,101.74	282	Accumulated deferred income taxes - ACRS	
11	142	Receivables from associated companies			depreciation	
12	151	Materials and supplies		283	Accumulated deferred income taxes - other	
13	174	Other current assets	3,990.31	271	Contributions in aid of construction	24,939.67
14	180	Deferred charges		272	Accumulated amortization of contributions	-24,939.67
15		Total Assets	411,893.17		Total Equity and Liabilities	-411,893.17

notes

- 1 Includes Acc.Amort. Of SDWBA Loan (108.4) @ -96942.13
- 2 Includes Shareholder Distributions (to date) @ 8421.05

Benbow water Revised
copy of year 2005



SCHEDULE F - INCOME STATEMENT

1	Accl.	Operating revenues	
2	460	Unmetered water revenue	0.00
3	462	Fire protection revenue	1,587.00
4	465	Irrigation revenue	0.00
5	470	Metered water revenue	147,435.93
6	475	Approved Total Surcharge Revenue(s)	0.00
7	480	Other water revenue	5,530.13
8		Total Revenue Received	154,553.06
9			
10		SDWBA/SRF surcharge revenue	
11		Total Operating Revenue	154,553.06
12		Operating expenses	
13	610	Purchased water	0.00
14	615	Purchased power	10,039.30
15	618	Other volume related expenses	852.27
16	630	Employee labor	7,419.60
17	640	Materials	5,046.21
18	650	Contract work	9,515.57
19	660	Transportation expenses	3,576.10
20	664	Other plant maintenance expense	3,545.25
21	670	Office salaries	0.00
22	671	Management salaries	7,063.00
23	674	Employee pensions and benefits	733.05
24	676	Uncollectible accounts expense	0.00
25	678	Office services and rentals	855.73
26	681	Office supplies and expense	7,240.44
27	682	Professional services	7,131.80
28	684	Insurance	9,585.71
29	688	Regulatory commission expense	2,229.76
30	689	General expenses	6,146.31
31		Total Operating Expenses	80,980.10
32	403	Depreciation expense	11,988.18
33	407	SDWBA loan amortization expense	0.00
34	408	Taxes other than income taxes	6,916.14
35	409	State income tax expense	800.00
36	410	Federal income tax expense	0.00
37		Total Operating Revenue Deductions	100,684.42
38		Utility Operating Income	
39	421	Non-utility income	0.00
40	426	Miscellaneous non-utility expense	0.00
41	427	Interest expense	12,629.75
42		Net Income	41,238.89

2005

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BENBOW WATER CORPORATION
ESTIMATED SCHEDULE A-BALANCE SHEET (December 31, 2005)

Line	acct.	Assets	Balance	acct.	Equity and Liabilities	Balance
1	101	Water plant in service	616,964.30	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	170,354.82
4	105	Water plant construction work in progress		218	Proprietary capital	91,749.08
5	108	Accumulated depreciation of water plant	(150,734.42)	224	Long term debt	132,106.99
6	114	Water plant acquisition adjustments			Current Liabilities	40,174.17
7	124	Other investments		252	Advances for construction	
8	131	Cash	14,513.37	253	Other deferred credits*	(12,150.62)
9	141	Accounts receivable	24,101.74	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes-Acrs	
11	151	Material and supplies			depreciation	
12	174	Other current assets	3,990.31	283	Accumulated deferred income taxes-other	
13	180	Deferred charges		271	Contributions in aid of construction	24,939.67
14		*Acc. Amort. of SDWBA Loan (108.4)	(86,600.86)		Accumulated Dep. (Cont. in aid of Const.)	(24,939.67)
15		Total Assets	422,234.44		Total Equity and Liabilities	422,234.44

Cash:

#131.3 (Six River National Bank) 14,513.37

Accounts Receivable:

#141.0 (A/R Customers) 22,078.43

#141.5 (Officer Receivable) 2,023.31

Other Current Assets:

#174.1 (Prepaid Insurance) 2,355.00

#174.5 (Prepaid Workers Comp) 1,635.31

Current Liabilities:

#231.0 (Accounts Payable) 9,842.18

#231.1 (Salaries & Wages Payable)

#231.2 (Other Payables)

#231.6 (Retirement Account) 3,656.10

#233.0 (Customer Deposits)

#236.0 (Taxes Accrued) 11,675.89

#241.2 (Notes Payable, Land) 15,000.00

*Accumulated Adjustments (216.0)

16	BENBOW WATER CORPORATION					
17	ESTIMATED SCHEDULE B-WATER PLANT IN SERVICE (December 31, 2005)					
18						
19			Balance	Pnt. Addts.	Pnt. Retmts	Balance
20	Acct.	Title of Account	Beg. of Year	During Year	During Year	End of Year
21	301	Intangible Plant	100,356.68			100,356.68
22	303	Land	17,100.00			17,100.00
23	304	Structures	76,000.50	666.00		76,666.50
24	307	Wells	15,084.38			15,084.38
25	317	Other water source plant				
26	311	Pumping equipment	62,809.86	2,316.53		65,126.39
27	320	Water treatment plant	95,211.56	1,740.28		96,951.84
28	330	Reservoirs, tanks and standpipes	91,469.74	589.30		92,059.04
29	331	Water mains	78,907.02			78,907.02
30	333	Services and meter installations	9,407.89	2,804.47		12,212.36
31	334	Meters	16,928.77	320.91		17,249.68
32	335	Hydrants	3,138.46			3,138.46
33	339	Other equipment	4,430.72			4,430.72
34	340	Office furniture and equipment	5,644.82	6,195.27	(6,195.27)	5,644.82
35	341	Transportation equipment	32,036.41			32,036.41
36		Total water plant in service	608,526.71	14,632.76	(6,195.27)	616,964.30

37	BENBOW WATER CORPORATION		
38	SCHEDULE C-RESERVE FOR DEPRECIATION OF UTILITY PLANT (December 31, 20054)		
39		Account 108	Account 108.1
40		Water Plant	SDWBA Loans
41	item		
43	Balance in reserves at beginning of year	138,746.24	
44	Add: Credits to reserves during year		A. Method used to compute depreciation
45	(a) Charged to account no. 403*	11,988.18	expense (Acct. 403) and rate
46	(b) Charged to account no. 272		2.40%
47	(c) Charged to clearing accounts		
48	(d) Salvage recovered		A. Amount of depreciation expense claimed
49	(e) All other credits		on utility property in your federal
50	Total credits*	11,988.18	income tax return for the year covered
51	Deduct: Debts to reserves during year		by this report. \$
52	(a) Book cost of property retired		
53	(b) Cost of removal		
54	(c) All other debits		A. State method used to compute tax
55	Total debits		depreciation:
56	Balance in reserve at end of year	150,734.42	
57			
58			
59			
60			
61			

*2.40% of Total Water Plant in Service less Intangible Plant & Land
#272=25yrs S.L.#271

13	BENBOW WATER CORPORATION	
14	SCHEDULE F-INCOME STATEMENT	
15		Operating Revenues
16	460	Unmetered water revenue
17	462	Fire protection revenue
18	465	Irrigation revenue
19	470	Metered water revenue
20	480	Other water revenue*
21		Total Operating Revenue
22		Operating Revenue Deductions
23		Operating expenses
24	610	Purchased Water
25	615	Power
26	618	Other volume related expenses
27	630	Employee labor
28	640	Materials
29	650	Contract work
30	660	Transportation expenses
31	664	Other plant maintenance expense
32	670	Office salaries
33	671	Management salaries
34	674	Employee pensions and benefits
35	676	Uncollectible accounts expense
36	678	Office services and rentals
37	681	Office supplies and expense
38	682	Professional services
39	684	Insurance
40	688	Regulatory commission expense**
41	689	General Expenses & CPUC Surcharges
42		Total Operating Expenses
43	403	Depreciation Expense
44	407	SDWBA loan amortization expense
44	408	Taxes other than income taxes
45	409	State corporate income tax expense
46	410	Federal corporate income tax expense
47		Total Operating Revenue Deductions
48	421	Non-utility income
49	426	Miscellaneous non-utility expense
50	427	Interest expense
51		Net Income

*CPUC Surcharge, late fees, facilities fees, misc.

**CPUC Surcharge, filing fees, etc.

54	BENBOW WATER COMPANY					
55	SCHEDULE I-EMPLOYEES AND THEIR COMPENSATION					
56	Acct.	Account	Number at end of year	Salaries charged to Expense	Salaries charged to Plant Accounts	Total Salaries and Wages Paid
57	630	Employee Labor*	1	7,419.60		7,419.60
58	670	Office Salaries				
59	671	Management Salaries*	1	7,063.00		7,063.00
60		Total	2	14,482.60		14,482.60

Does not include wages and salaries payable & charged to plant accounts

**BENBOW WATER CORPORATION
SCHEDULE G-SOURCES OF SUPPLY & WATER DEVELOPED WELLS**

Location	no.	Diam. inch	Depth to water feet	Pumping capacity	Annual quantities
Fern Springs #1		72	20	190	30,983,000
East Branch #2		48	18		

SCHEDULE K-TOTAL METERS AND SERVICES

Size	Meters	Services
5/8X 3/4-in.	31	XXXX
3/4-in.	53	2
1-in.	5	93
1 1/2-in.	1	1
2-in.	2	3
4-in.	1	1
Total	93	100

SCHEDULE L-METER TESTING DATA

Number of meter tested during year
1. Used, before repair
2. Used, after repair
3. Failed, requiring refund
Number of meters in service requiring test per GO #103

SCHEDULE M-SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	78		78	2		2	80	
Industrial								
Commercial	15		15	3			18	
Subtotal	93		93				93	
Fire Protection	1		1				1	
Total	94		94	5		2	99	

SCHEDULE N-STORAGE

SCHEDULE O-FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Desc	No.	Combined capacity	Description	2" and under	2 1/2" to 3 1/2"	4"	Other sizes		Totals
							6"	8"	
Concrete			Cast iron					150	150
Wood	2	41,000	Screwed stl.						
Steel			AC			4,885	7,026		11,911
Other	2	10,000	Plastic	1,829	1,802	4,941	1,133	1,780	11,485
			Poly.	2,000					2,000
Total	4	51,000	Total	3,829	1,802	9,826	8,159	1,930	25,546

Signed _____

Title _____

Date _____

PRESIDENT

5/1/06