

Revised 10/1/08

Yr 2006

Black Butte Water Company
SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 36,643	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	
4	105	Water plant construction work in progress		218	Proprietary capital	\$ 32,643
5	108	Accumulated depreciation of water plant	\$ (6,085)	224	Long term debt	\$ 21,000
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash	\$ 22,335	253	Other deferred credits	
9	141	Accounts receivable - customers	\$ 750	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	\$ 53,643		Total Equity and Liabilities	\$ 53,643

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant	\$ 180				\$ 180
17	303	Land	\$ 790				\$ 790
18	304	Structures	\$ 650				\$ 650
19	307	Wells					\$ -
20	317	Other water source plant					\$ -
21	311	Pumping equipment	\$ 1,705				\$ 1,705
22	320	Water treatment plant	\$ 1,919				\$ 1,919
23	330	Reservoirs tanks and sandpipes	\$ 17,298				\$ 17,298
24	331	Water mains	\$ 2,841				\$ 2,841
25	333	Services and meter installations	\$ 3,375				\$ 3,375
26	334	Meters	\$ 7,650				\$ 7,650
27	335	Hydrants	\$ 235				\$ 235
28	339	Other equipment					\$ -
29	340	Office furniture and equipment					\$ -
30	341	Transportation equipment					\$ -
31		Total water plant in service	\$ 36,643	\$ -	\$ -	\$ -	\$ 36,643

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year	\$ 5,264		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272			
35	(b) Charged to Account No. 403	\$ 821		
36	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits			covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation.
44	Total debits			
45	Balance in reserve at end of year	\$ 6,085	\$ -	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

\$ (0)

Life	Dep
40	\$16.25
30	\$0.00
25	\$0.00
25	\$68.20
25	\$76.76
55	\$314.51
60	\$47.35
45	\$75.00
35	\$218.57
50	\$4.70
20	\$0.00
15	\$0.00
12	\$0.00
Dep.	\$821.34
	2.24%

Benbow Water - 2006

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BENBOW WATER CORPORATION
ESTIMATED SCHEDULE A-BALANCE SHEET (December 31, 2006)

Line	acct.	Assets	Balance	acct.	Equity and Liabilities	Balance
1	101	Water plant in service	630,764.30	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	100,286.82
5	108	Accumulated depreciation of water plant	(151,065.62)	224	Long term debt	132,106.99
6	114	Water plant acquisition adjustments			Current Liabilities	48,300.00
7	124	Other investments		252	Advances for construction	
8	131	Cash	9,200.19	253	Other deferred credits*	(12,150.62)
9	141	Accounts receivable	21,000.00	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes-current depreciation	
11	151	Material and supplies			Accumulated deferred income taxes-other	
12	174	Other current assets	15,600.00	283	Contributions in aid of construction	24,939.67
13	180	Deferred charges		271	Accumulated Dep. (Cont. in aid of Const.)	(24,939.67)
14		*Acc. Amort. of SDWBA Loan (108.0)	(86,600.86)		Total Equity and Liabilities	438,898.01
15		Total Assets	438,898.01			

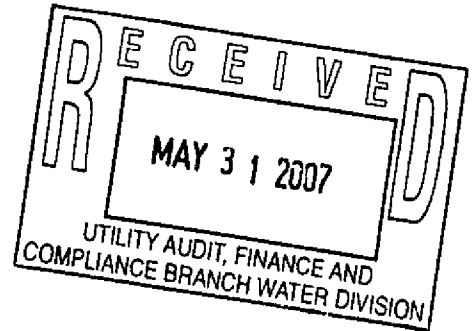
Cash:
 #131.3 (Six River National Bank) 9,200.19

Accounts Receivable:
 #141.0 (A/R Customers) 21,000.00
 #141.5 (Officer Receivable)

Other Current Assets:
 #174.1 (Prepaid Insurance) 14,000.00
 #174.5 (Prepaid Workers Comp) 1,600.00

Current Liabilities:
 #231.0 (Accounts Payable) 15,300.00
 #231.1 (Salaries & Wages Payable)
 #231.2 (Other Payables)
 #231.6 (Retirement Account) 6,000.00
 #233.0 (Customer Deposits)
 #236.0 (Taxes Accrued) 12,000.00
 #241.2 (Notes Payable, Land) 15,000.00

*Accumulated Adjustments (216.0)



See front page

16	BENBOW WATER CORPORATION						
17	ESTIMATED SCHEDULE B-WATER PLANT IN SERVICE (December 31, 2006)						
18							
19			Balance	Plnt. Addts.	Plt. Retmts	Other Debits	Balance
20	Acct.	Title of Account	Beg. of Year	During Year	During Year	or (Credits)	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	76,666.50				76,666.50
24	307	Wells	15,084.38				15,084.38
25	317	Other water source plant					
26	311	Pumping equipment	65,126.39	3,200.00			68,326.39
27	320	Water treatment plant	96,951.84	2,000.00			98,951.84
28	330	Reservoirs, tanks and standpipes	92,059.04	4,200.00			96,259.04
29	331	Water mains	78,907.02				78,907.02
30	333	Services and meter installations	12,212.36	1,000.00			13,212.36
31	334	Meters	17,249.68	400.00			17,649.68
32	335	Hydrants	3,138.46				3,138.46
33	339	Other equipment	4,430.72	500.00			4,930.72
34	340	Office furniture and equipment	5,644.82	2,500.00			8,144.82
35	341	Transportation equipment	32,036.41				32,036.41
36		Total water plant in service	616,964.30				630,764.30

37	BENBOW WATER CORPORATION		
38	SCHEDULE C-RESERVE FOR DEPRECIATION OF UTILITY PLANT (December 31, 2006)		
39			
40			
41		Account 108	Account 108.1
42	item	Water Plant	SDWBA Loans
43	Balance in reserves at beginning of year	138,746.24	A. Method used to compute depreciation
44	Add: Credits to reserves during year		expense (Acct. 403) and rate
45	(a) Charged to account no. 403*	12,319.38	2.40%
46	(b) Charged to account no. 272		
47	(c) Charged to clearing accounts		A. Amount of depreciation expense claimed
48	(d) Salvage recovered		on utility property in your federal
49	(e) All other credits		income tax return for the year covered
50	Total credits*	12,319.38	by this report. \$
51	Deduct: Debts to reserves during year		
52	(a) Book cost of property retired		
53	(b) Cost of removal		A. State method used to compute tax
54	(c) All other debits		depreciation:
55	Total debits		
56	Balance in reserve at end of year	151,065.62	
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
		XXXXXXXXXXXX
16	460	Unmetered water revenue
17	462	Fire protection revenue
		1,620.00
18	465	Irrigation revenue
19	470	Metered water revenue
		155,628.31
20	480	Other water revenue*
		21,471.77
21		Total Operating Revenue
		178,720.08
22		Operating Revenue Deductions
		XXXXXXXXXXXX
23		Operating expenses
		XXXXXXXXXXXX
24	610	Purchased Water
25	615	Power
		10,039.30
26	618	Other volume related expenses
		852.27
27	630	Employee labor
28	640	Materials
		5,046.21
29	650	Contract work
		9,515.57
30	660	Transportation expenses
		3,576.10
31	664	Other plant maintenance expense
		3,545.25
32	670	Office salaries
33	671	Management salaries
		18,000.00
34	674	Employee pensions and benefits
		733.05
35	676	Uncollectible accounts expense
36	678	Office services and rentals
		855.73
37	681	Office supplies and expense
		7,240.44
38	682	Professional services
		7,131.80
39	684	Insurance
		9,585.71
40	688	Regulatory commission expense**
		2,229.76
41	689	General Expenses & CPUC Surcharges
		6,146.31
42		Total Operating Expenses
		84,497.50
43	403	Depreciation Expense
		12,319.38
44	407	
44	408	Taxes other than income taxes
		6,916.14
45	409	State corporate income tax expense
		800.00
46	410	Federal corporate income tax expense
47		Total Operating Revenue Deductions
		104,533.02
48	421	Non-utility income
49	426	Miscellaneous non-utility expense
50	427	Interest expense
		14,703.91
51		Net Income
		59,483.15

*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
58	630	Employee Labor*				
59	670	Office Salaries				
60	671	Management Salaries*	1	18,000.00		18,000.00
61		Total	1	18,000.00		18,000.00

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	36,227,000
East Branch #2		48	16	not in use	

SCHEDULE K-TOTAL METERS AND SERVICES

Size	Meters	Services
5/8X 3/4-in.	40	XXXX
3/4-in.	51	2
1-in.	6	107
1 1/2-in.	1	1
2-in.	2	2
4-in.	1	1
Total	101	113

SCHEDULE L-METER TESTING DATA

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

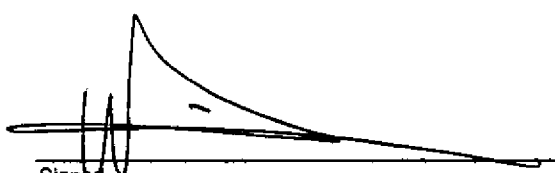
SCHEDULE M-SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	100		100	2		2	102	
Industrial								
Commercial	12		12				12	
Subtotal	112		112				112	
Fire Protection	1		1				1	
Total	113		113			2	113	

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			Screwed stl.						
Steel	1	115,000	AC			4,885	7,026		11,911
Other	3	15,000	Plastic	1,829	1,802	4,941	1,133	1,780	11,485
			Poly.	1,350					1,350
Total	4	130,000	Total	3,179	1,802	9,826	8,159	1,930	24,896


 Signed Winston Benbow, PRES
 Title _____
 Date 5-28-07