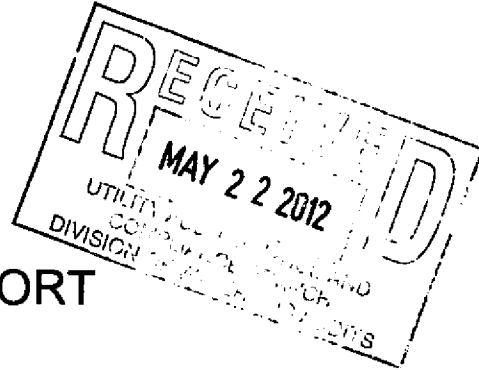


4 A

Received _____
Examined _____

SEWER UTILITIES

U# _____



2011 ANNUAL REPORT OF

Canada Woods Water Company

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

P.O. Box 221850, Carmel CA 93922

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2011

REPORT MUST BE FILED NOT LATER THAN APRIL 2, 2012

PEASLEY, ALDINGER & O'BYMACHOW
AN ACCOUNTANCY CORPORATION

MATT A. PEASLEY, CPA
CHRISTIAN L. ALDINGER, CPA

2120 MAIN STREET, SUITE 265
HUNTINGTON BEACH, CALIFORNIA 92648

(714) 536-4418
FAX (714) 536-2039

ACCOUNTANT'S COMPILATION REPORT

May 16, 2012

Canada Woods Water Company
P.O. Box 221850
Carmel, CA 93922

We have compiled the balance sheet of Canada Woods Water Company, LLC (Sewer system) as of December 31, 2011, and the related income statement for the year ended December 31, 2011, included in the accompanying prescribed form. We have also compiled the supplementary information included on page 5 (Schedules B & C), page 6 (Schedules D, E & G), page 7 (Schedule H), and page 4 Excess Capacity. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with the form prescribed by the Public Utilities Commission of the State of California.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Public Utilities Commission of the State of California and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

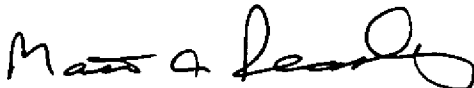
Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Public Utilities Commission of the State of California, which differ from accounting principles generally accepted in the United States of America.

The supplementary information contained on page 3 (General Information) and page 7 (Schedules I, J, K, L & M) of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

We are not independent with respect to Canada Woods Water Company, LLC.

PEASLEY, ALDINGER & O'BYMACHOW
AN ACCOUNTANCY CORPORATION



Matt A. Peasley
Certified Public Accountant

TABLE OF CONTENTS

	<u>Page</u>
Instructions	2
General Information	3
Excess Capacity and Non-Tariffed Services	4
Schedule A - Balance Sheet	5
Schedule B - Sewer Plant In Service	5
Schedule C - Reserve for Depreciation of Utility Plant	5
Schedule D - Capital Stock Outstanding (As of December 31, 2011)	6
Schedule E - Long-Term Debts	6
Schedule F - Income Statement	6
Schedule G - Employees and Their Compensation	6
Schedule H - Advances for Construction	7
Schedule I - Total Meters and Services (Active and Inactive)	7
Schedule J - Meter-Testing Data	7
Schedule K - Service Connections at End of Year	7
Schedule L - Storage Facilities	7
Schedule M - Footages of Pipe (Excluding Service Pipes)	7
Declaration	8

INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN APRIL 2, 2012**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS
ATTN: KAYODE KAJOPAIYE
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298
kok@cpuc.ca.gov**

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath on Page 8, must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in ink or by the use of a typewriter. Computer generated report forms may be substituted.
5. The report must be filled in, and every question answered. **LEAVE NO SCHEDULE BLANK.** Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts refer to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2011, through December 31, 2011. Fiscal year reports will not be accepted.

CLASS D SEWER UTILITIES
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Canada Woods Water Company, LLC
(Name under which corporation, partnership or individual is doing business)

P.O. Box 221850, Carmel, California 93922
(Official mailing address)

Carmel, Monterey County
(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL TO COMMISSION NO PHOTOCOPIES

- 1 If a corporation show: **N/A**
(A) Date of organization _____ incorporated in the State of _____
(B) Names, titles and addresses of principal officers
- 2 If unincorporated give the name and address of owner(s) or the partners: **(Organized as a Delaware limited liability company)**
Partners (LLC Members)
Canada Woods, LLC, Member
c/o Howard M. Bernstein and/or Roy D. Kaufman, Managers, Kaufman, Bernstein, et al. 1925 Century Park East, Suite 800
Los Angeles, CA 90067
- 3 Name and telephone number of:
(A) One person listed above to receive correspondence: **Alan Williams, Manager CWWC (831) 625-1066**
c/o Canada Woods Water Company 7145 Carmel Valley Road, Carmel, CA 93923
(B) Person responsible for operations and services: **Brian Garneau (831)656-9266**
Carmel Lahaina Utility Services, Inc.
- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) **YES**
If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?
Operation of sewer system: Carmel Lahaina Utility Services, Inc. \$233 a/c 105, \$18,489 a/c 618, \$97,340 a/c 630, \$413 a/c 640, \$34,204 a/c 670, \$10,584 a/c 671.
Management of sewer system: Carmel Development Company \$20,040 a/c 671.
- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:
(i) **Canada Woods, LLC, a Delaware limited liability company;**
(ii) **Clinton Eastwood, Trustee of the 1988 Clinton Eastwood Trust (1997 Restatement) U/D/T dated 05/23/97;**
(iii) **Margaret Eastwood, Trustee of the Margaret Eastwood Trust U/D/T dated 08/21/90;**

PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.
- 11 List Name, Grade, and License Number of all Licensed Operators:

Yes	No	Latest Date
		n/a
		n/a
		n/a
		n/a
		n/a

n/a

Excess Capacity and Non-Tariffed Services

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each company's Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed goods and services provided in calendar year 2011:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	Revenue Account Number	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-Tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-Tariffed Goods/ Services (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-Tariffed Goods/ Services (by Account)	Regulated Asset Account Number
	NA										

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2011)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	4,396,945	201	Common Stock (Corporations only)	
2	103	Plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Plant purchased or sold		215	Retained earnings	
4	105	Plant construction work in progress	-	218	Proprietary capital	686,149
5	108	Accumulated depreciation of plant	(1,342,209)	224	Long term debt	
6	114	Plant acquisition adjustments			Current Liabilities	46,460
7	124	Other investments		252	Advances for construction	
8	131	Cash		253	Other deferred credits	
9	141	Accounts receivable - customers		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	3,327,722
14				272	Accumulated amortization of contributions	(1,005,595)
15		Total Assets	3,054,736		Total Equity and Liabilities	3,054,736

SCHEDULE B - SEWER 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	-				-
17	303	Land	-				-
18	304	Structures	196,271				196,271
19	307	Wells					-
20	317	Other source plant					-
21	311	Pumping equipment	584,257	877	300		584,834
22	320	Treatment plant	1,486,513				1,486,513
23	330	Reservoirs	185,031				185,031
24	331	Mains	1,852,352	2,944	1,500		1,853,796
25	333	Services and meter installations	90,500				90,500
26	334	Meters					-
27	339	Other equipment					-
28	340	Office furniture and equipment					-
29	341	Transportation equipment					-
30		Total Plant in service	4,394,924	3,821	1,800	-	4,396,945

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Plant	
32	Balance in reserves at beginning of year	1,200,482	A. Method used to compute depreciation
33	Add: Credits to reserves during year		expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	48,611	Composite 3.26%
35	(b) Charged to Account No. 272	94,916	
36	(c) Charged to clearing accounts		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	143,527	covered by this report \$ n/a
40	Deduct: Debits to reserves during year		
41	(a) Book cost of property retired	1,800	
42	(b) Cost of removal		C. State method used to compute tax
43	(c) All other debits		depreciation. n/a
44	Total debits	1,800	
45	Balance in reserve at end of year	1,342,209	
46	(1) Explanation of all other credits		
47	(2) Explanation of all other debits		

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2011)

Line			
1	Common - (Shares	\$	par)
2	Preferred - (Shares	\$	par)
3	Dividends - Common	Rate - \$	
4	- Preferred	Rate - \$	

List persons owning more than 5% of outstanding stock and number of shares owned by each:

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5							
6	N/A						
7							
8	Totals						

SCHEDULE F - INCOME STATEMENT

9		Operating revenues	xxxxxx
10	460	Unmetered revenue	147,984
11	470	Metered revenue	
12	480	Other revenue	
13		Total Operating Revenue	147,984
14		Operating revenue deductions	xxxxxx
15		Operating expenses	xxxxxx
16	610	Purchased water	
17	615	Power	19,385
18	618	Other volume related expenses	79,802
19	630	Employee labor	97,340
20	640	Materials	11,384
21	650	Contract work	19,486
22	660	Transportation expenses	
23	664	Other plant maintenance expense	5,339
24	670	Office salaries	34,204
25	671	Management salaries	30,624
26	674	Employee pensions and benefits	
27	676	Uncollectible accounts expense	
28	678	Office services and rentals	
29	681	Office supplies and expense	
30	682	Professional services	
31	684	Insurance	
32	688	Regulatory commission expense	3,000
33	689	General expenses	611
34		Total Operating Expenses	301,175
35	403	Depreciation expense	48,611
36	408	Taxes other than income taxes	
37	409	State corporate income tax expense	
38	410	Federal corporate income tax expense	
39		Total Operating Revenue Deductions	349,786
40		Utility Operating Income	(201,802)
41	421	Non-utility income	
42	426	Miscellaneous non-utility expense	
43	427	Interest expense	
44		Net Income	(201,802)

SCHEDULE G - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
45	630	Employee Labor			
46	670	Office salaries	N/A - Employee labor expense is for contract workers of Carmel Lahaina Utility Services		
47	671	Management salaries	and Carmel Development Company.		
48		Total	Canada Woods Water Company has no direct employees		

SCHEDULE H - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	
Subtotal - Beginning balance plus additions during year	N/A
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	

SCHEDULE I - TOTAL METERS AND SERVICES (active and inactive)

Size	Meters	Services
-in		121
-in		
-in		
-in		
-in		
Total		121

SCHEDULE J - METER-TESTING DATA

Number of meters tested during year		
1	Used, before repair...	n/a
2	Used, after repair	
3	Fast, requiring refund ..	

SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		108	108				0	108
			0				0	0
Industrial			0				0	0
Other (specify) Commercial		13	13				0	13
			0				0	0
Total		121	121				0	121

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

SCHEDULE L - STORAGE FACILITIES

SCHEDULE M - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	6"	Other sizes (specify)	Totals
Concrete	6	30,000	Cast Iron						
Earth			Welded steel						
Wood			Standard screw						
Steel	2	136,000	Cement-asbestos						
Other			Plastic		13200	78020	10186		101406
			Other (specify)						
Total	8	166,000	Total		13200	78020	10186		101406

DECLARATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

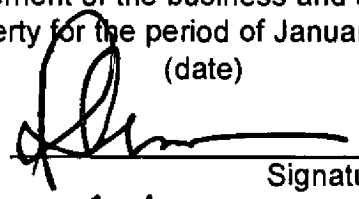
I, the undersigned ALAN WILLIAMS
Authorized Officer, Partner or Owner

of Canada Woods Water Company - Sewer
Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period of January 1, 2011, through December 31, 2011.

MANAGER
Title (Please Print)

831-624-3179
Telephone Number


Signature

8-18-12
Date