



**PEASLEY, ALDINGER & O'BYMACHOW**  
AN ACCOUNTANCY CORPORATION

2120 MAIN STREET, SUITE 265  
HUNTINGTON BEACH, CALIFORNIA 92648

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ACCOUNTANT'S COMPILATION REPORT

September 16, 2003

Hillview Water Company  
P.O. Box 2269  
Oakhurst, CA 93644

We have compiled the balance sheets of Hillview Water Company as of December 31, 2002 and 2001, and the related income statement for the year ended December 31, 2002, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information included on pages 4 (Schedule A-1) through 14 (Schedule A-17), pages 16 (Schedule B-1) through 20 (Schedule C-2), and pages 1 through 5 of Selected Financial Data - Class A, B, C, and D Water Companies 2001, and Class B, C, and D Water Companies Safe Drinking Water Bond Act Data.

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

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 generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The supplementary information contained on page 1 (General Information) and page 20 (Schedule C-3) through page 24 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 Hillview Water Company, Inc.

PEASLEY, ALDINGER & O'BYMACHOW  
AN ACCOUNTANCY CORPORATION



Matt A. Peasley  
Certified Public Accountant

## INSTRUCTIONS

1. One completed copy of this report (two copies if three received) must be filed NOT LATER THAN MARCH 31, following the year covered by the report, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
WATER DIVISION  
505 VAN NESS AVENUE, ROOM 3105  
SAN FRANCISCO, CALIFORNIA 94102-3298**

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 the last page, must be signed by an 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.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

# INSTRUCTIONS

## FOR PREPARATION OF

### SELECTED FINANCIAL DATA SHEET

#### FOR CLASS A, B, C AND D, WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instruction below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

**SELECTED FINANCIAL DATA - CLASS A, B, C, AND D WATER COMPANIES  
2002**

**NAME OF UTILITY: HILLVIEW WATER COMPANY**

**PHONE: 559-683-4322**

**PERSON RESPONSIBLE FOR THIS REPORT           ROGER FORRESTER            
(Prepared from Information in the 2002 Annual Report)**

**BALANCE SHEET DATA**

	Jan. 1, 2002	Dec. 31, 2002	Average
1 Intangible Plant	1,961	1,961	1,961
2 Land	125,494	125,494	125,494
3 Depreciable Plant	5,669,061	5,771,506	5,720,284
4 Gross Plant In Service	5,796,516	5,898,961	5,847,739
5 Less: Accum. Depreciation	(1,829,768)	(1,981,169)	(1,905,469)
6 Net Water Plant In Service	3,966,748	3,917,792	3,942,270
Water Plant Held for Future Use	0	0	0
8 Construction Work In Progress	271,711	283,276	277,494
9 Materials and Supplies	68,889	65,139	67,014
10 Less: Advances for Construct.	(161,955)	(159,344)	(160,650)
11 Contrib. in Aid of Constr.	(1,731,687)	(1,726,771)	(1,729,229)
12 Accum. Deferred Inc. Tax Credits	217,312	335,634	276,473
13 Net Plant Investment	2,631,018	2,715,726	2,673,372

**CAPITALIZATION**

14 Common Stock	49,500	49,500	49,500
15 Proprietary Capital (Ind. or Part)	0	0	0
16 Paid-in Capital	273,062	273,062	273,062
17 Retained Earnings	(399,136)	(458,999)	(429,068)
18 Common Equity (14 through 17)	(76,574)	(136,437)	(106,506)
19 Preferred Stock	0	0	0
20 Long-Term Debt	1,407,255	1,371,987	1,389,621
21 Notes Payable	0	0	0
22 Total Capitalization (Lines 18 thru 21)	1,330,681	1,235,550	1,283,116

**SELECTED FINANCIAL DATA - CLASS A, B, C, AND D WATER COMPANIES  
2002**

**NAME OF UTILITY: HILLVIEW WATER COMPANY**

**PHONE: 559-683-4322**

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	0
24	Fire Protection Revenue	16,606
25	Irrigation Revenue	0
26	Metered Water Revenue	903,317
27	Total Operating Revenue	<u>919,923</u>
28	Total Operating Expenses	820,694
29	Depreciation Expense (Composite Rate 3.25%)	65,913
30	Amortization and Property Losses	2,260
31	Property Taxes	7,491
32	Taxes Other Than Income Taxes	20,192
33	Total Operating Rev. Deductions Before Taxes	<u>916,550</u>
34	Calif. Corp. Franchise Tax	800
35	Fed. Corporate Income Tax	(118,322)
36	Total Operating Revenue Deduction After Taxes	<u>799,028</u>
37	Net Operating Income/(Loss)(Calif. Water Operations)	120,895
38	Other Oper. and Nonoper. Inc/Exp. - Net (Excl. Interest Exp.)	(15,359)
39	Income Available for Fixed Charges	<u>105,536</u>
40	Interest Expense	(165,399)
41	Net Income/(Loss) Before Dividends	(59,863)
42	Preferred Stock Dividends	0
43	Net Income (Loss) Available for Common Stock	<u>(59,863)</u>

**OTHER DATA**

44	Refunds of Advances for Construction	2,611
45	Total Payroll Charged to Operating Expenses	<u>224,579</u>
46	Purchased Water	0
47	Power	<u>174,455</u>

**Active Serv. Connections(Excl. Fire Protect.)**

	Jan. 1	Dec. 31	Annual Average
48	1,371	1,393	1,382
49	0	0	0
50	1,371	1,393	1,382

**CLASS B, C AND D WATER COMPANIES  
SAFE DRINKING WATER BOND ACT DATA**

Please provide the following information related to each Safe Drinking Water Bond Act (SDWBA) loan outstanding during the 12 month reporting period.

1 Current Fiscal Agent:

**Original SDWBA loan was refinanced in 1995; replaced with CoBank loan.  
New DWR loan is still in process - final payment and repayment schedule not yet determined.**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Date Hired: \_\_\_\_\_

2 Former Fiscal Agent:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Date Hired: \_\_\_\_\_

3 Total surcharge collected from customers during the 12 month reporting period

\$ \_\_\_\_\_

4 Summary of bank account activity showing:

Balance at beginning of year	\$ _____	0
Deposits during the year	_____	0
Withdrawals made for loan payments	_____	0
Other withdrawals from this account	_____	
Balance at end of year	_____	0

5 Account information:

Bank name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Date Opened: \_\_\_\_\_

**CLASS B, C AND D WATER COMPANIES  
SAFE DRINKING WATER BOND ACT DATA (continued)**

6 Plant amounts included in Schedule A-1a, Account No. 101 – Water Plant in Service which were funded using SDWBA funds:

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible Plant	1,452				1,452
3	303	Land					0
4		Total non depreciable plant	1,452	0	0	0	1,452
5		<b>DEPRECIABLE PLANT</b>					0
6	304	Structures					0
7	307	Wells	57,890				57,890
8	317	Other water source plant					0
9	311	Pumping equipment	37,569				37,569
10	320	Water treatment plant	13,888				13,888
11	330	Reservoirs, tanks & sandpipes	97,512				97,512
12	331	Water mains	341,344				341,344
13	333	Services and meter install	10,910				10,910
14	334	Meters					0
15	335	Hydrants					0
16	339	Other equipment					0
17	340	Office furniture and equipment					0
18	341	Transportation equipment					0
19		Total depreciable plant	559,113	0	0	0	559,113
20		Total water plant in service	560,565	0	0	0	560,565



GENERAL INFORMATION

- 1. Name under which utility is doing business:  
Hillview Water Company
- 2. Official mailing address:  
P.O. Box 2269 Oakhurst, CA 93644
- 3. Name and title of person to whom correspondence should be addressed:  
Roger L. Forrester Telephone: (559) 683-4322
- 4. Address where accounting records are maintained:  
40312 Greenwood Way, Oakhurst, CA 93644
- 5. Service Area: (Refer to district reports if applicable):  
Oakhurst, CA and portions of Coarsegold and Raymond, CA
- 6. Service Manager (if located in or near Service Area.) (Refer to district reports if applicable.)

Name: Roger Forrester  
Address: same as above Telephone: (559) 683-4322

- 7. OWNERSHIP. Check and fill in appropriate line:
  - Individual (name of owner)
  - Partnership (name of partner)
  - Partnership (name of partner)
  - Partnership (name of partner)
  - Corporation (corporate name): Hillview Water CompanyOrganized under laws of (state) California Date: 7/28/78

Principal Officers:  
(Name) Roger Forrester (Title) President  
(Name) Jerry Moore (Title) CFO  
(Name) (Title)  
(Name) (Title)

8. Names of associated companies: NA  
none

9. Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:  
none Date:  
Date:  
Date:

10. Use the space below for supplementary information or explanations concerning this report:  
none

**SCHEDULE A**  
**COMPARATIVE BALANCE SHEETS**  
**Assets and Other Debits**

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		<b>UTILITY PLANT</b>			
2	101	Water plant in service	4	5,898,961	5,796,516
3	103	Water plant held for future use	5	0	
4	104	Water plant purchased or sold			
5	105	Water plant construction work in progress		283,276	271,711
6		Total utility plant		6,182,237	6,068,227
7	106	Accumulated depreciation of water plant	6	(1,981,169)	(1,829,768)
8	114	Water plant acquisition adjustments			
9		Total amortization and adjustments		(1,981,169)	(1,829,768)
10		Net utility plant		4,201,068	4,238,459
11		<b>INVESTMENTS</b>			
12	121	Non-utility property and other assets	5	0	
13	122	Accumulated depreciation of non-utility property	6	0	
14		Net non-utility property		0	0
15	123	Investments in associated companies			
16	124	Other investments			
17		Total investments		0	0
18		<b>CURRENT AND ACCRUED ASSETS</b>			
19	131	Cash		1,198	3,301
20	132	Special accounts		34,886	27,924
21	141	Accounts receivable - customers		96,228	91,540
22	142	Receivables from associated companies			
23	143	Accumulated provision for uncollectible accounts		(1,130)	(1,130)
24	151	Materials and supplies		65,139	68,889
25	174	Other current assets	7	24,932	12,855
26		Total current and accrued assets		221,253	203,379
27	180	Deferred Charges		649,170	607,043
28		Total assets and deferred charges		5,071,491	5,048,881

**SCHEDULE A  
COMPARATIVE BALANCE SHEETS  
Liabilities and Other Credits**

Line No.	Acct No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year ©	Balance Beginning of Year (d)
1		<b>CORPORATE CAPITAL AND SURPLUS</b>			
2	201	Common stock	9	49,500	49,500
3	204	Preferred stock	9	0	0
4	211	Other paid-in capital	9	273,062	273,062
5	215	Retained Earnings	10	(458,999)	(399,136)
6		Total corporate capital and retained earnings		(136,437)	(76,574)
7		<b>PROPRIETARY CAPITAL</b>			
8	218	Proprietary Capital	10	0	
9	218.1	Proprietary drawings	10		
10		Total Proprietary Capital		0	0
11		<b>LONG-TERM DEBT</b>			
12	224	Long term debt	11	1,315,435	1,355,309
13	225	Advances from associated companies	12	0	0
14		<b>CURRENT AND ACCRUED LIABILITIES</b>			
15	231	Accounts payable		484,935	413,093
16	232	Short term notes payable		552,740	374,246
17	233	Customer deposits		9,985	13,129
18	235	Payables to associated companies	12	0	0
19	236	Accrued taxes		0	3,362
20	237	Accrued interest		7,569	3,830
21	241	Other current liabilities	13	523,745	504,924
22		Total current and accrued liabilities		1,578,974	1,312,584
23		<b>DEFERRED CREDITS</b>			
24	252	Advances for construction	13	113,225	120,187
25	253	Other credits	8	809,157	823,000
26	255	Accumulated deferred investment tax credits	13	19,491	21,431
27	282	Accumulated deferred income taxes-ACRS depreciation	13	0	0
28	283	Accumulated deferred income taxes-other	13	(355,125)	(238,743)
29		Total deferred credits		586,748	725,875
30		<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
31	271	Contributions in aid of construction	14	2,923,802	2,835,135
32	272	Accumulated amortization of contributions		(1,197,031)	(1,103,448)
33		Net contributions in aid of construction		1,726,771	1,731,687
34		Total liabilities and other credits		5,071,491	5,048,881

**SCHEDULE A-1**  
**Account No. 100-Utility Plant**

Line	Acct	Account	Balance Beginning of Year	Plant Additions During Year	Plant Retirements During Year	Other Debits or (Credits)	Balance End of Year
1	101	Water plant in service	5,796,516	112,800	10,355	0	5,898,961
2	103	Water plant held for future use					0
3	104	Water plant purchased or sold					0
4	105	Construction work in progress-water plant	271,711	11,565			283,276
5	114	Water plant acquisition adjustments					0
6		Total utility plant	6,068,227	124,365	10,355	0	6,182,237

**SCHEDULE A-1a**  
**Account No. 101-Water Plant In Service**

Line No.	Acct No.	Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant	1,961				1,961
3	303	Land	125,494	0			125,494
4		Total non-depreciable plant	127,455	0	0	0	127,455
5		<b>DEPRECIABLE PLANT</b>					
6	304	Structures	93,204	2,276	154		95,326
7	307	Wells	286,943	3,200			290,143
8	317	Other water source plant					0
9	311	Pumping equipment	510,364	28,666	3,325		535,705
10	320	Water treatment plant	263,571	208			263,779
11	330	Reservoirs, tanks and standpipes	700,195				700,195
12	331	Water mains	2,734,341	56,785	4,401		2,786,725
13	333	Services and meter installations	313,482	8,188	693		320,977
14	334	Meters	147,326	4,639	1,782		150,183
15	335	Hydrants	293,756	6,000			299,756
16	339	Other equipment	119,774	1,805			121,579
17	340	Office furniture and equipment	98,138	1,033			99,171
18	341	Transportation equipment	107,967				107,967
19		Total depreciable plant	5,669,061	112,800	10,355	0	5,771,506
20		Total water plant in service	5,796,516	112,800	10,355	0	5,898,961

**SCHEDULE A-1b**  
**Account No. 103 - Water Plant Held for Future Use**

Line No.	Description and Location of Property	Date of Acquisition (b)	Approximate Date When Property Will be Placed in Service (d)	Balance End of Year (e)
1				
2	NONE			
3				
4				
5				
6				
7				
8				
9				
10	Total			0

**SCHEDULE A-2**  
**Account No. 121 - Non-utility Property and Other Assets**

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1		
2	NONE	
3		
4		
5		
6		
7		
8		
9		
10	Total	0

**SCHEDULE A-3**  
**Accounts Nos. 108 and 122-Depreciation and Amortization Reserves**

Line No.	Item (a)	Account 108	Account 108.1	Account 122
		Water Plant (b)	SDWBA Loans (c)	Non-utility Property (d)
1	Balance in reserves at beginning of year	1,561,041	268,727	0
2	Add: Credits to reserves during year			
3	(a) Charged to Account No.403(Footnote1)	65,913		
4	(b) Charged to Account No. 272	93,583		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits(Footnote2)		2,260	
8	Total credits	159,496	2,260	0
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	10,355		
11	(b) Cost of removal			
12	(b) All other debits(Footnote3)			
13	Total debits	10,355	0	0
14	Balance in reserve at end of year	1,710,182	270,987	0
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE:			
16				3.25%
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18	Amortization of surcharge plant	2,260		
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS			
24				
25				
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION:			
30	(a) Straight line	<input checked="" type="checkbox"/>		
31	(b) Liberalized	<input type="checkbox"/>		
32	(1) Sum of year digits	<input type="checkbox"/>		
33	(2) Double declining balance	<input type="checkbox"/>		
34	(3) Other ACRS/MACRS	<input checked="" type="checkbox"/>		
35	(c) Both straight line and liberalized	<input checked="" type="checkbox"/>		

**SCHEDULE A-3a**  
**Account No. 108--Analysis of Entries in Depreciation Reserve**

Line No.	Acct. No.	Depreciable Plant (a)	Balance Beginning of Year (b) (1)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excl. Cost Removal (d)	Salvage and Cost of Removal Net (Dr.) or Cr. (e)	Balance End of Year (f)
1	304	Structures (1)	1,561,041	159,492	10,355		1,710,178
2	307	Wells					0
3	317	Other Water Source Plant					0
4	311	Pumping equipment					0
5	320	Water treatment plant					0
6	330	Reservoirs, tanks and standpipes					0
7	331	Water mains					0
8	333	Services and meter installations					0
9	334	Meters					0
10	335	Hydrants					0
11	339	Other equipment					0
12	340	Office furniture and equipment					0
13	341	Transportation equipment					0
14		Total	1,561,041	159,492	10,355	0	1,710,178

(1) Hillview Water Co. has not segregated depreciation reserve since all categories are using the same depreciation rate.

**SCHEDULE A-4**  
**Account No. 174--Other Current Assets**

Line No.	Item (a)	Amount (b)
1	Prepaid Insurance	3,860
2	Miscellaneous receivables	21,072
3		
4		
5		
6		
7		
8		
9		
10	Total	24,932

**SCHEDULE A-5**  
**Accounts Nos. 180 and 253-Unamortized debt discount and expense and unamortized premium on debt**

1. Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense of premium applicable to each class and series of long-term debt.  
 2. Show premium amounts in red or by enclosure in parentheses.  
 3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.  
 5. Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.  
 6. Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net Premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From- (d)	To- (e)				
1	CoBank Surcharge Loan	960,000	4,800	1995	2020	3,552		192	3,360
2	CoBank Loan #1	640,000	3,700	1995	2015	2,498		185	2,313
3									
4									
5									
6									
7							0	377	5,673
8									
9									
10									
11									
12									
13									
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25									
26									
27									
28									



**SCHEDULE A-6**  
**Accounts Nos. 201 and 204-Capital Stock**

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common stock		1,000		990	49,500		NONE
2								
3								
4								
5								
6								
7	Totals		1,000		990	49,500		\$0.00

**SCHEDULE A-7**  
**Record of Stockholders at End of Year**

Line No.	COMMON STOCK Name (a)	Number Shares (b)	PREFERRED STOCK Name (c)	Number Shares (d)	
1	Roger Forrester	500			
2	Diane Forrester Moore	490	N/A		
3					
4					
5					
6					
7					
8	Total number of shares		990	Total number of shares 0	

**SCHEDULE A-8**  
**Account No. 211 – Other Paid In Capital (Corporations only)**

Line No.	Type of Paid in Capital (a)	Balance End of Yr (b)
1	Contributions of capital by stockholders	273,062
2		
3		
4	Total	273,062

**SCHEDULE A-9**  
**Account No. 215 -- Retained Earnings**  
**(Corporations Only)**

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	(399,136)
2	CREDITS	
3	Net income	(59,863)
4	Prior period adjustments	
5		
5	Total credits	(59,863)
7	DEBITS	
8	Net Losses	
9	Prior period adjustments	
10	Dividend appropriations-preferred stock	
11	Dividend appropriations-common stock	
12	Total debits	0
13	Balance end of year	(458,999)

**SCHEDULE A-10**  
**Account No.218--Proprietary Capital**  
**Sole Proprietor or Partnership**

Line No.	Account (a)	Amount (b)
		N/A
1	Balance beginning of year N/A	
2	CREDITS	
3	Net Income	
4	Additional investments during year	
5	Other credits (detail) Prior year income adjustment	
6	Total credits	0
7	DEBITS	0
8	Net Losses	
9	Withdrawals during year	
10	Other debits (detail)	
11	Total debits	0
12	Balance end of year	0

**SCHEDULE A-11**  
**Account No. 224--Long Term Debt**

Line No.	Class (a)	Dates of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding Per Balance Sheet (e)	Rate of Interest (f)	Interest Accrued During Year (g)	Interest Paid During Year (h)
1	CoBank Loan #1	1995	2015	640,000	513,852	9.49%	49,514	49,433
2	CoBank Surcharge Loan	1995	2020	960,000	807,240	variable	70,109	69,966
3	Auto loan	2000	2005		12,982	6.90%	961	961
4	Auto loan	2000	2006		14,241	7.90%	877	877
5	SRF liability	2001	pending	25,000	23,672	0.00%	0	0
6								
7								
8	Less: Short term portion				(56,552)			
9	Totals				1,315,435		121,461	121,237

**SCHEDULE A-12**  
**Account No. 225 Advances from Associated Companies**

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1	NONE				
2					
3					
4	Totals	0		0	0

**SCHEDULE A-13**  
**Account No. 235 -Payables to Associated Companies**

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1	NONE				
2					
3					
4	Totals	0		0	0

**SCHEDULE A-14**  
**Account No. 241-Other Current Liabilities**

Line No.	Description (a)	Balance End of Year (b)
1	Accrued benefits	925
2	Accrued payroll taxes	2,136
3	Refundable fees and interest	387,308
4	Regulatory balancing accounts	87,257
5	Currently refundable advances for construction	46,119
6		
7	Total	523,745

**SCHEDULE A-15**  
**Account No. 252-Advances for Construction**

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXX	161,955
2	Additions during year (prior year adjustments)	XXXXXXXXXXXX	0
3	Subtotal-Beginning balance plus additions during year	XXXXXXXXXXXX	161,955
4	Charges during year:	XXXXXXXXXXXX	XXXXXXX
5	Refunds	XXXXXXXXXXXX	XXXXXXX
6	Percentage of revenue basis	2,056	XXXXXXX
7	Proportionate cost basis	555	XXXXXXX
8	Present Worth Basis		XXXXXXX
9	Total refunds	2,611	XXXXXXX
10	Transfers to Acct. 271, CIAC	XXXXXXXXXXXX	XXXXXXX
11	Due to Expiration of Contracts		
12	Due to present worth discount	XXXXXXXXXXXX	
13	Total transfers to Acct. 271	0	
14	Securities Exchanged for Contracts (Enter detail below)		
15	Subtotal - Charges during the year	2,611	
16	Balance end of year		159,344
17	Less Currently refundable portion		(46,119)
18	Balance end of year		113,225

**SCHEDULE A-15**  
**Account Nos. 255, 282, and 283-Deferred Taxes**

Line No.	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax ACRS Depreciation (c)	Account 283 Other (d)
1	Deferred Income taxes - depreciation			427,845
2	Deferred Income taxes - FAS 109			(165,972)
3	Deferred Income taxes - other			(616,998)
4	Deferred ITC	19,491		
5	Totals	19,491	0	(355,125)

**SCHEDULE A-17**  
**Account No. 271-Contributions in Aid of Construction**  
**Instructions for Preparation of Schedule of Contributions in Aid of Construction**

- 1 The credit balance in the account other than that portion of the balance relating to nondepreciable property (column d), to property retired prior to January 1, 1955 (column e), shall be written off through charges to the account and credits to Account No. 108, Accumulated depreciation of water plant, over a period equal to the reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account No. 108. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.
- 2 That portion of the balance applicable to nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.
- 3 That portion of the balance representing donations on property retired prior to January 1, 1955 (column), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued through Dec. 31, 1954 on Property in Service at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	2,835,135	2,835,135			
2	Add: Credits to account during year					
3	Contributions received during year	88,667	88,667			
4	Other credits*					
5	Total credits	88,667	88,667			
6	Deduct: Debits to account during year					
7	Depreciation charges for year	0				
8	Nondepreciable donated property retired					
9	Other debits*					
10	Total debits	0	0			
11	Balance end of year	2,923,802	2,923,802	0	0	0



**SCHEDULE B-1**  
**Account No. 400-Operating Revenues**

Line No.	Acct. No.	ACCOUNT (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Changes During Year Show Decrease in (Brackets) (d)
1		<b>WATER SERVICE REVENUES</b>			
2	460	Unmetered water revenue			0
3		460.1 Single-family residential			0
4		460.2 Commercial and multi-residential			0
5		460.3 Large water users			0
6		460.5 Safe Drinking Water Bond Surcharge			0
7		460.9 Other unmetered revenue	0	83	(83)
8		Subtotal	0	83	(83)
9	462	Fire protection revenue			
10		462.1 Public fire protection	16,606	16,059	547
11		462.2 Private fire protection			0
12		Subtotal	16,606	16,059	547
13	465	Irrigation revenue			0
14	470	Metered water revenue			0
15		470.1 Single family residential	777,597	759,081	18,516
16		470.2 Commercial and multi-residential			0
17		470.3 Large water users			0
18		470.5 Safe Drinking Water Bond Surcharge	65,235	94,326	(29,091)
19		470.9 Other metered revenue			0
20		Subtotal	842,832	853,407	(10,575)
21		Total water service revenues	859,438	869,549	(10,111)
22	480	Other water revenue	60,485	91,630	(31,145)
23		Total operating revenue	919,923	961,179	(41,256)



**SCHEDULE B-2**  
**Account No. 401 - Operating Expenses**

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceeding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
1		<b>PLANT OPERATION AND MAINTENANCE EXPENSES</b>			
2		<b>VOLUME RELATED EXPENSES</b>			
3	610	Purchased Water			0
4	615	Power	174,455	129,921	44,534
5	618	Other volume related expenses	17,474	17,870	(396)
6		Total volume related expenses	191,929	147,791	44,138
7		<b>NON-VOLUME RELATED EXPENSES</b>			
8	630	Employee Labor	84,262	85,307	(1,045)
9	640	Materials	20,427	11,420	9,007
10	650	Contract work	36,650	42,386	(5,736)
11	660	Transportation expenses	25,371	22,402	2,969
12	664	Other plant maintenance expenses	4,149	3,174	975
13		Total non-volume related expenses	170,859	164,689	6,170
14		Total plant operation and maintenance exp.	362,788	312,480	50,308
15		<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
16	670	Office salaries	43,990	65,825	(21,835)
17	671	Management salaries	96,327	76,833	19,494
18	674	Employee pensions and benefits	17,364	27,996	(10,632)
19	676	Uncollectible accounts expense	399	308	91
20	678	Office services and rentals	17,969	3,713	14,256
21	681	Office supplies and expenses	62,929	58,890	4,039
22	682	Professional services	36,901	10,957	25,944
23	684	Insurance	18,859	17,914	945
24	688	Regulatory commission expenses	10,375	11,501	(1,126)
25	689	General expenses	153,690	128,699	24,991
26		Total administrative and general expenses	458,803	402,636	56,167
27	800	Expenses capitalized	(897)	(10,717)	9,820
28		Net administrative and general expenses	457,906	391,919	65,987
29		Total operating expenses	820,694	704,399	116,295

**SCHEDULE B-3**  
**Account No. 408,409,410 – Taxes Charged During Year**

Line No.	Type of Tax (a)	Total taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	7,491	7,491	
2	State corp. franchise tax	800	800	
3	State unemployment insurance tax	1,915	1,915	
4	Other state and local taxes	20	20	
5	Federal unemployment insurance tax	1,039	1,039	
6	Federal insurance contributions act	13,891	13,891	
7	Other federal taxes -Medicare	3,327	3,327	
8	Federal income tax	(118,322)	(118,322)	
9	Penalties	0	0	0
10				
11	Totals	(89,839)	(89,839)	0

**SCHEDULE B-4**  
**Reconciliation of Reported Net Income With Taxable Income for Federal Taxes**

- Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
- If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
- Show taxable year if other than calendar year from \_\_\_\_\_ to \_\_\_\_\_.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	(59,863)
2	Reconciling amounts (list first additional income and unallowable deductions, followed by	
3	additional deductions and non-taxable income):	
4	Income tax provision	(118,322)
5	Non deferred surcharge income	48,842
6	Deferred expenses	168,921
7	Nondeductible expenses	26,101
8	Regulatory liability and balancing account adjustments	(49,051)
9	Other	(7,765)
10	Additional Federal Depreciation	(7,146)
11	Net Operating loss carryover	(1,717)
12	Federal tax net income	0
13	Computation of tax:	
14	Current Fed & State tax	800
	Deferred Income tax	(118,322)
14	Total tax provision	(117,522)

**SCHEDULE B-5**  
**Account 421 and 426 - Income from Nonutility Operations**

Line No.	Description (a)	Revenue (b)	Expenses (c)	Net Income (d)
1	Interest Income	3,926		
2	CoBank patronage dividend	13,401		
3	Other		27,485	
4	Charitable contributions, donations and other		5,201	
5	Totals	17,327	32,686	(15,359)

**SCHEDULE B-6**  
**Account No. 427 – Interest Expense**

Line No.	Description (a)	Amount (b)
1	Long and short term debt	152,889
2	Other	377
3	Interest on refundable fees	12,133
4		
5		
6		
7		
8		
9	Totals	165,399

**SCHEDULE C-1**  
**Compensation of Individual Proprietor, Partners and Employees Included in Expenses**

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Chg to Exp (c)	Salaries Chg to Plant (d)	Total Salaries and Wages Pd (e)
1	630	Employee Labor	3	84,262	3,464	87,726
2	670	Office Salaries	2	43,990		43,990
3	671	Management Salaries	1	96,327		96,327
4						0
5						
6		Total	6	224,579	3,464	228,043

**SCHEDULE C-2  
Loans to Directors, Officers, or Shareholders**

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (f)	Security Given (g)	Date of Shareholder Authorization (h)	Other Information (i)
1								
2	NONE							
3								
4								
5								
6								
7	Total		0					

**SCHEDULE C-3  
Engineering and Management Fees and Expenses, Etc., During Year**

Line No.	Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership, or person covering supervision and/or management of any department of the respondent's affairs, such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.	
1	1. Did the respondent have a contract or other agreement with any organization or person covering supervision	
2	and/or management of its own affairs during the year? Answer: (Yes or No.) <b>NO</b>	
3	(If the answer is in the affirmative, make appropriate replies to the following questions.)	
4	2. Name of each organization or person that was a party to such a contract or agreement.	
5		
6	3. Date of original contract or agreement.	
7	4. Date of each supplement or agreement.	
8	5. Amount of compensation paid during the year for supervision or management.....	
9	6. To whom paid.	
10	7. Nature of payment (salary, traveling expenses, etc.).	
11	8. Amounts paid for each class of service.	
12		
13	9. Basis for determination of such amounts.	
14		
15	10. Distribution of payments:	Amount
16	(a) Charged to operating expenses	
17	(b) Charged to capital accounts	
18	(c) Charged to other accounts	
19	Total	
20	11. Distribution of charges to operating expenses by primary accounts.	
21	Number and Title of Account	Amount
22		
23		
24		
25	Total	
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?	
27		

**SCHEDULE D-1  
Sources of Supply and Water Developed**

STREAMS				FLOW IN _____ (Unit) <sup>2</sup>				Annual Quantities Diverted  (Unit) <sup>2</sup>	Remarks
Line No. Diverted Into*	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions				
			Claim	Capacity	Max	Min			
1	N/A								
<b>WELLS</b>									
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water	Pumping Capacity (Unit) <sup>2</sup>	Annual Quantities Pumped (Unit) <sup>2</sup>	Remarks	
6	See Attached Schedule								
7									
8									
9									
10									
<b>TUNNELS AND SPRINGS</b>									
Line no	Designation	Location	Number	Maximum	Minimum	Quantities Used (Unit) <sup>2</sup>	Remarks		
11									
12	N/A								
13									
14									
15									
<b>Purchased Water for Resale</b>									
16	Purchased from	N/A							
17	Annual quantities purchased					(Unit chosen) <sup>1</sup>	cu. feet		
18									

\*State ditch, pipe line, reservoir, etc., with name, if any.  
 1Average depth to water surface below ground surface.  
 2The quantity unit in established use for expressing water stored and used in large amounts is the acre foot, which equals 43,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second, in gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.

**SCHEDULE D-2  
Description of Storage Facilities**

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
20	A. Collecting Reservoirs	4	91,800 gal	steel forebay tanks
21	Concrete			
22	Earth			
23	Wood			
24	B. Distribution reservoirs			
25	Concrete	3	579,000 gal	in ground concrete
26	Earth			
27	Wood			
28	C. Tanks	12	29,100 gal	steel pressure tanks
29	Wood			
30	Metal	24	1,459,700 gal	steel above ground tanks
31	Concrete			
32	Totals	43	2,159,600	

ATTACHMENT TO 2002 ANNUAL REPORT, C.P.U.C  
HILLVIEW WATER CO., INC.  
OAKHURST, CA  
WELL DATA

DISTRICT	LOCATION	NO.	DIAMETER (INCHES)	DEPTH TO WATER (FEET)	PUMPING CAPACITY (GPM)	ANNUAL QUANTITY PUMPED (CCF)
A	Yosemite High School	2	8 5/8	45	11	2,907
A	Yosemite High School	3	8 5/8	47	25	2,641
A	Ditton	1	8 5/8	53	30	5,502
A	Ditton	2	8 5/8	53	125	35,749
A	Ditton	3	8 5/8	106	60	13,702
A	Ditton	4	8 5/8	141	50	20,673
A	Pierce Lake	1	8 5/8	42	47	5,683
A	Highland View	1	8 5/8		10	INACTIVE
A	Junction	1	8 5/8	53	15	6,603
A	Junction	2	8	32	35	3,107
A	Highland View	2	8 5/8		22	1350
B	Coarsegold Highlands	1	6	110	75	3,323
D	Hillview (Next To Reservoir)	1	7	88	5	1,790
D	Miami Creek	1	6 5/8		70	INACTIVE
D	River Creek	1	8 5/8	41	18	1,177
D	River Creek	2	8 5/8	45	18	1,563
D	Goldside (Most Northern)	1	6 5/8	95	5	INACTIVE
D	Goldside (Most Southern)	3	6 5/8	51	10	INACTIVE
D	Goldside (Middle)	2	8 5/8	59	12	13,390
D	Goldside (25' South Of #3)	4	8 5/8	58	52	18,617
D	Goldside	5	8 5/8	New	6	INACTIVE
D	Goldside	6	6 5/8		90	15,875
F	Sierra Lakes	1A	8 5/8	115	200	54,864
F	Sierra Lakes	3	8 5/8	58	150	48,210
F	Sierra Lakes	4	8 5/8	72	330	52,265
G	Raymond (East Property)	2	6	45	5	14,255
G	Raymond (Storage)	5	6	35	1.5	641
G	Raymond (Storage)	6	6	35	0.5	INACTIVE
G	Raymond (East Property)	7	6	46	6	403
G	Raymond	8	6 5/8	71	20	5,964
G	Raymond	9	6 5/8		4	INACTIVE
G	Raymond (East Property)	10	6 5/8			3,773

**SCHEDULE D-3**  
Description of Transmission and Distribution Facilities

**A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES**

1	
2	NONE
3	
4	
5	

**A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES (Concluded)**

1	
2	NONE
3	
4	
5	

**B. FOOTAGES OF PIPE BY INSIDE DIAMETER IN INCHES - NOT INCLUDING SERVICE PIPING <sup>(A)</sup>**

Line No.		1	1.5	2	3	3.5	4	5	6	8
11	Cast Iron				18		128		172	327
12	Cast Iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement-asbestos			863	4,800		8,855		5,590	240
19	Welded steel						1,040		5,560	195
20	Wood			8,140						
21	Other PVC	6,401	5,601	50,146	15,951		57,460		54,589	32,108
22	Totals	6,401	5,601	59,149	20,769	0	67,483	0	65,911	32,870

**B. FOOTAGES OF PIPE BY INSIDE DIAMETER IN INCHES - NOT INCLUDING SERVICE PIPING <sup>(A)</sup>**

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)		Totals All Sizes
23	Cast Iron/Ductile Iron	414	689							1,748
24	Cast Iron (cement lined)									0
25	Concrete									0
26	Copper									0
27	Riveted steel									0
28	Standard screw									0
29	Screw or welded casing									0
30	Cement-asbestos									20,348
31	Welded steel	190	146							7,131
32	Galvanized									8,140
33	Other--PVC	13,034	25,937							261,227
34	Totals	13,638	26,772	0	0	0	0	0	0	298,594

**SCHEDULE D-4  
Number of Active Service Connections**

Classification	Metered-Dec.31		Flat Rate-Dec.31	
	Prior Year	Current Year(a)	Prior Year	Current Year
Single family residential	1,070	1,092		
Commercial	301	301		
Large water users				
Public authorities				
Irrigation				
Other (specify)				
Sub-total	1,371	1,393	0	0
Private fire connections			123	125
Public fire hydrants			125	125
Total	1,371	1,393	248	250

**SCHEDULE D-6  
Number of Meters and Services on Pipe Systems  
at End of Year (a)**

Size	Meters	Services
5/8 x 3/4-in.		XXXXXXXXXX
3/4-in.	1,261	
1-in.	59	
1-1/2-in.	33	
2-in.	36	
3-in.	4	
4-in.	0	
6-in.	0	
8-in.		
10- & 12-in.		
Total	1,393	0

**SCHEDULE D-6**

**Meter Testing Data**

<b>A. Number of Meters Tested During Year as Prescribed</b>	
1. New, after being received . . . . .	instl by mfg
2. Used, before repair . . . . .	
3. Used, after repair . . . . .	
4. Found fast, requiring billing adjustment . . . . .	
<b>B. Number of Meters in Service Since Last Test.</b>	
1. Ten years or less . . . . .	
2. More than 10, but less than 15 years . . . . .	
3. More than 15 years . . . . .	

**SCHEDULE D-7  
Water delivered to Metered Customers by Months and Years in Ccf (Unit Chosen)1 (a)**

Classification of Service	During Current Year							
	January	February	March	April	May	June	July	Subtotal
Single Family Residential	14,700	14,921	14,659	17,603	22,833	37,832	41,640	164,188
Commercial								0
Industrial								0
Public Auth.								0
Irrigation								0
Other								0
Total	14,700	14,921	14,659	17,603	22,833	37,832	41,640	164,188

  

Classification of Service	During Current Year							Total Prior Year
	August	September	October	November	December	Subtotal	Total	
Single Family residential	38,076	30,603	29,774	25,352	17,568	141,373	305,561	307,854
Commercial							0	0
Industrial							0	0
Public Auth.							0	0
Irrigation							0	0
Other							0	0
Total	38,076	30,603	29,774	25,352	17,568	141,373	305,561	307,854

1. Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated:           n/a          

Total population served           4,179 est



**SCHEDULE D-8  
Status With State Board of Public Health**

- |  |  |
|--|--|
| 1. Has the State or Local Health Department reviewed the sanitary condition of your water system during the past year? | Yes  |
| 2. Are you having routine laboratory tests made of water served to your consumers?                                     | Yes  |
| 3. Do you have a permit from the State Board of Public Health for operation of your water system?                      | Yes  |
| 4. Date of Permit: 12/96, 8/14/86, 11/84, 2/28/90  | 5. If permit is "temporary" what is the expiration date? |
| 6. If you do not hold a permit has an application been made for such permit?   | 7. If so, on what date?                                  |

**SCHEDULE D-9  
Statement of Material Financial Interest**

Use this space to report the information required by Section 2 of General Order No. 104-A. If no material financial interest existed during the year or contemplated at the end of the year, such fact shall be so stated. If additional space is required, attach a supplementary statement with reference made thereto.

Hillview Water Company has no financial interest in any other company.

**DECLARATION**

Before Signing Please Check to See That All Schedules Have Been Completed  
(See Instruction 3 on front cover)

I, the undersigned Roger L. Forrester of Hillview Water Company 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 operation of its property for the period from and including January 1, 2002, to and including December 31, 2002.

Signed Roger L. Forrester  
 Title President  
 Date 9/19/03