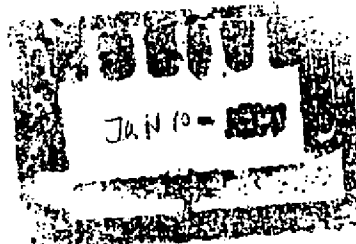


Received _____

Examined _____

CLASS B and C
WATER UTILITIES

U# _____



2003
ANNUAL REPORT
OF

HILLVIEW WATER COMPANY

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

P.O. BOX 2269

OAKHURST, CA 93644

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2003

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2004
(FILE TWO COPIES IF THREE RECEIVED)

PEASLEY, ALDINGER & O'BYMACHOW
AN ACCOUNTANCY CORPORATION

2120 MAIN STREET, SUITE 265
HUNTINGTON BEACH, CALIFORNIA 92648

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

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

ACCOUNTANT'S COMPILATION REPORT

June 1, 2004

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

We have compiled the balance sheets of Hillview Water Company as of December 31, 2003 and 2002, and the related income statement for the year ended December 31, 2003, 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 2 through 5 of Selected Financial Data - Class A, B, C, and D Water Companies 2003, 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
2003**

NAME OF UTILITY: HILLVIEW WATER COMPANY

PHONE: 559-683-4322

PERSON RESPONSIBLE FOR THIS REPORT ROGER FORRESTER
(Prepared from Information in the 2003 Annual Report)

BALANCE SHEET DATA

	Jan. 1, 2003	Dec. 31, 2003	Average
1 Intangible Plant	1,961	1,961	1,961
2 Land	125,494	125,494	125,494
3 Depreciable Plant	5,771,506	5,840,855	5,806,181
4 Gross Plant In Service	5,898,961	5,968,310	5,933,636
5 Less: Accum. Depreciation	(1,981,169)	(2,169,460)	(2,075,315)
6 Net Water Plant In Service	3,917,792	3,798,850	3,858,321
Water Plant Held for Future Use	0	0	0
8 Construction Work In Progress	283,276	299,232	291,254
9 Materials and Supplies	65,139	60,564	62,852
10 Less: Advances for Construct.	(159,344)	(158,928)	(159,136)
11 Contrib. in Aid of Constr.	(1,726,771)	(1,687,648)	(1,707,210)
12 Accum. Deferred Inc. Tax Credits	335,634	322,081	328,858
13 Net Plant Investment	2,715,726	2,634,151	2,674,939

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	(458,999)	(414,642)	(436,821)
18 Common Equity (14 through 17)	(136,437)	(92,080)	(114,259)
19 Preferred Stock	0	0	0
20 Long-Term Debt	1,371,987	1,394,989	1,383,488
21 Notes Payable	0	0	0
22 Total Capitalization (Lines 18 thru 21)	1,235,550	1,302,909	1,269,230

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

2003

NAME OF UTILITY: HILLVIEW WATER COMPANY

PHONE: 559-683-4322

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	380
24	Fire Protection Revenue	20,895
25	Irrigation Revenue	0
26	Metered Water Revenue	1,011,123
27	Total Operating Revenue	<u>1,032,398</u>
28	Total Operating Expenses	800,790
29	Depreciation Expense (Composite Rate 3.25%)	66,150
30	Amortization and Property Losses	41,317
31	Property Taxes	34,921
32	Taxes Other Than Income Taxes	18,479
33	Total Operating Rev. Deductions Before Taxes	<u>961,657</u>
34	Calif. Corp. Franchise Tax	800
35	Fed. Corporate Income Tax	13,553
36	Total Operating Revenue Deduction After Taxes	<u>976,010</u>
37	Net Operating Income/(Loss)(Calif. Water Operations)	56,388
38	Other Oper. and Nonoper. Inc/Exp. - Net (Excl. Interest Exp.)	153,254
39	Income Available for Fixed Charges	<u>209,642</u>
40	Interest Expense	<u>(165,285)</u>
41	Net Income/(Loss) Before Dividends	44,357
42	Preferred Stock Dividends	0
43	Net Income (Loss) Available for Common Stock	<u><u>44,357</u></u>

OTHER DATA

44	Refunds of Advances for Construction	416
45	Total Payroll Charged to Operating Expenses	<u>226,478</u>
46	Purchased Water	0
47	Power	<u>175,241</u>

Active Serv. Connections(Excl. Fire Protect.)	Jan. 1	Dec. 31	Annual Average	
48	Metered Service Connections	1,393	1,383	1,388
49	Flat Rate Service Connections	0	0	0
50	Total Active Service Connections	<u>1,393</u>	<u>1,383</u>	<u>1,388</u>

**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		NON-DEPRECIABLE PLANT					
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		DEPRECIABLE PLANT					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 Company
Organized 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		UTILITY PLANT			
2	101	Water plant in service	4	5,968,310	5,898,961
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		299,232	283,276
6		Total utility plant		6,267,542	6,182,237
7	106	Accumulated depreciation of water plant	6	(2,169,460)	(1,981,169)
8	114	Water plant acquisition adjustments			
9		Total amortization and adjustments		(2,169,460)	(1,981,169)
10		Net utility plant		4,098,082	4,201,068
11		INVESTMENTS			
12	121	Non-utility property and other assets	5	0	0
13	122	Accumulated depreciation of non-utility property	6	0	0
14		Net non-utility property		0	0
15	123	Investments in associated companies			
16	124	Other investments			
17		Total investments		0	0
18		CURRENT AND ACCRUED ASSETS			
19	131	Cash		(97)	1,198
20	132	Special accounts		46,330	34,886
21	141	Accounts receivable - customers		108,712	96,228
22	142	Receivables from associated companies			
23	143	Accumulated provision for uncollectible accounts		(1,130)	(1,130)
24	151	Materials and supplies		60,564	65,139
25	174	Other current assets	7	18,809	24,932
26		Total current and accrued assets		233,188	221,253
27	180	Deferred Charges		611,340	649,170
28		Total assets and deferred charges		4,942,610	5,071,491

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		CORPORATE CAPITAL AND SURPLUS			
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	(414,642)	(458,999)
6		Total corporate capital and retained earnings		(92,080)	(136,437)
7		PROPRIETARY CAPITAL			
8	218	Proprietary Capital	10	0	0
9	218.1	Proprietary drawings	10		
10		Total Proprietary Capital		0	0
11		LONG-TERM DEBT			
12	224	Long term debt	11	1,332,334	1,315,435
13	225	Advances from associated companies	12	0	0
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		314,335	484,935
16	232	Short term notes payable		833,795	552,740
17	233	Customer deposits		12,154	9,985
18	235	Payables to associated companies	12	0	0
19	236	Accrued taxes		0	0
20	237	Accrued interest		22,873	7,569
21	241	Other current liabilities	13	297,326	523,745
22		Total current and accrued liabilities		1,480,483	1,578,974
23		DEFERRED CREDITS			
24	252	Advances for construction	13	106,264	113,225
25	253	Other credits	8	750,042	809,157
26	255	Accumulated deferred investment tax credits	13	17,551	19,491
27	282	Accumulated deferred income taxes-ACRS depreciation	13	0	0
28	283	Accumulated deferred income taxes-other	13	(339,632)	(355,125)
29		Total deferred credits		534,225	586,748
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	14	2,982,099	2,923,802
32	272	Accumulated amortization of contributions		(1,294,451)	(1,197,031)
33		Net contributions in aid of construction		1,687,648	1,726,771
34		Total liabilities and other credits		4,942,610	5,071,491

**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	5,898,961	65,686	16,133	19,796	5,968,310
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	283,276	15,956			299,232
5	114	Water plant acquisition adjustments					0
6		Total utility plant	6,182,237	81,642	16,133	19,796	6,267,542

**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		NON-DEPRECIABLE PLANT					
2	301	Intangible plant	1,961				1,961
3	303	Land	125,494				125,494
4		Total non-depreciable plant	127,455	0	0	0	127,455
5		DEPRECIABLE PLANT					
6	304	Structures	95,326				95,326
7	307	Wells	290,143	1,351			291,494
8	317	Other water source plant					0
9	311	Pumping equipment	535,705	25,529	14,450	(5,666)	541,118
10	320	Water treatment plant	263,779	1,048			264,827
11	330	Reservoirs, tanks and standpipes	700,195		930		699,265
12	331	Water mains	2,786,725	6,303	463	25,462	2,818,027
13	333	Services and meter installations	320,977	4,671	172		325,476
14	334	Meters	150,183	1,765	118		151,830
15	335	Hydrants	299,756				299,756
16	339	Other equipment	121,579	161			121,740
17	340	Office furniture and equipment	99,171	1,100			100,271
18	341	Transportation equipment	107,967	23,758			131,725
19		Total depreciable plant	5,771,506	65,686	16,133	19,796	5,840,855
20		Total water plant in service	5,898,961	65,686	16,133	19,796	5,968,310

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	1,710,182	270,987	0
2	Add: Credits to reserves during year			
3	(a) Charged to Account No.403(Footnote1)	66,150		
4	(b) Charged to Account No. 272	97,420		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits(Footnote2)		41,317	
8	Total credits	163,570	41,317	0
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	16,132		
11	(b) Cost of removal	464		
12	(b) All other debits(Footnote3)			
13	Total debits	16,596	0	0
14	Balance in reserve at end of year	1,857,156	312,304	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	41,317		
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)	1,710,182	163,570	16,132	(464)	1,857,156
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	1,710,182	163,570	16,132	(464)	1,857,156

(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	13,249
2	Miscellaneous receivables	5,560
3		
4		
5		
6		
7		
8		
9		
10	Total	18,809

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	3,360		192	3,168
2	CoBank Loan #1	640,000	3,700	1995	2015	2,313		185	2,128
3									
4									
5									
6									
7							0	377	5,296
8									
9									
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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 to 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	(458,999)
2	CREDITS	
3	Net Income	44,357
4	Prior period adjustments	
5		
5	Total credits	44,357
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	(414,642)

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	490,720	9.49%	48,601	48,532
2	CoBank Surcharge Loan	1995	2020	960,000	765,923	variable	68,509	68,401
3	Auto loan	2000	2005		8,901	6.90%	889	889
4	Auto loan	2000	2006		10,815	7.90%	1,142	1,142
5	SRF liability	2001	pending	100,000	99,055	0.00%	0	0
6	Auto loan	2003	2008		19,575	0.00%		
7					1,394,989			
8	Less: Short term portion				(62,655)			
9	Totals				1,332,334		119,141	118,964

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	0
2	Accrued payroll taxes	2,941
3	Refundable fees and interest	241,720
4	Regulatory balancing accounts	0
5	Currently refundable advances for construction	52,665
6		
7	Total	297,326

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

Line No.	NONE (a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXX	159,344
2	Additions during year (prior year adjustments)	XXXXXXXXXXXX	0
3	Subtotal-Beginning balance plus additions during year	XXXXXXXXXXXX	159,344
4	Charges during year:	XXXXXXXXXXXX	XXXXXXX
5	Refunds	XXXXXXXXXXXX	XXXXXXX
6	Percentage of revenue basis	0	XXXXXXX
7	Proportionate cost basis	416	XXXXXXX
8	Present Worth Basis		XXXXXXX
9	Total refunds	416	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	416	
16	Balance end of year		158,928
17	Less Currently refundable portion		(52,664)
18	Balance end of year		106,264

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			379,937
2	Deferred Income taxes - FAS 109			(146,316)
3	Deferred Income taxes - other			(573,253)
4	Deferred ITC	17,551		
5	Totals	17,551	0	(339,632)

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	2,923,802	2,923,802			
2	Add: Credits to account during year					
3	Contributions received during year	58,297	58,297			
4	Other credits*					
5	Total credits	58,297	58,297			
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	2,982,099	2,982,099	0	0	0

SCHEDULE B
Income Statement

Line No.	Acct. No.	Account (a)	Schedule Page No. (b)	Amount (c)
		UTILITY OPERATING INCOME		
1		UTILITY OPERATING INCOME		
2	400	Operating revenues	16	1,032,398
		OPERATING REVENUE DEDUCTIONS		
3		OPERATING REVENUE DEDUCTIONS		
4	401	Operating expenses	17	800,790
5	403	Depreciation expense		66,150
6	407	SDWBA loan amortization expense		41,317
7	408	Taxes other than income taxes		53,400
8	409	State corporate income tax expense	18	800
9	410	Federal corporate income tax expense	18	13,553
10		Total operating revenue deductions		976,010
11		Total utility operating income		56,388
		OTHER INCOME AND DEDUCTIONS		
12		OTHER INCOME AND DEDUCTIONS		
13	421	Non-utility income	19	158,837
14	426	Miscellaneous non-utility expense	19	(5,583)
15	427	Interest expense	19	(165,285)
16		Total other income and deductions		(12,031)
17		Net Income (Loss)		44,357

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		WATER SERVICE REVENUES			
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	380	0	380
8		Subtotal	380	0	380
9	462	Fire protection revenue			
10		462.1 Public fire protection	20,895	16,606	4,289
11		462.2 Private fire protection			0
12		Subtotal	20,895	16,606	4,289
13	465	Irrigation revenue			0
14	470	Metered water revenue			0
15		470.1 Single family residential	761,687	777,597	(15,910)
16		470.2 Commercial and multi-residential			0
17		470.3 Large water users			0
18		470.5 Safe Drinking Water Bond Surcharge	102,085	65,235	36,850
19		470.9 Other metered revenue			0
20		Subtotal	863,772	842,832	20,940
21		Total water service revenues	885,047	859,438	25,609
22	480	Other water revenue	147,351	60,485	86,866
23		Total operating revenue	1,032,398	919,923	112,475

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		PLANT OPERATION AND MAINTENANCE EXPENSES			
2		VOLUME RELATED EXPENSES			
3	610	Purchased Water			0
4	615	Power	175,241	174,455	786
5	618	Other volume related expenses	19,885	17,474	2,411
6		Total volume related expenses	195,126	191,929	3,197
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee Labor	77,243	84,262	(7,019)
9	640	Materials	31,421	20,427	10,994
10	650	Contract work	22,300	36,650	(14,350)
11	660	Transportation expenses	18,754	25,371	(6,617)
12	664	Other plant maintenance expenses	49,025	4,149	44,876
13		Total non-volume related expenses	198,743	170,859	27,884
14		Total plant operation and maintenance exp.	393,869	362,788	31,081
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	53,949	43,990	9,959
17	671	Management salaries	95,286	96,327	(1,041)
18	674	Employee pensions and benefits	22,214	17,364	4,850
19	676	Uncollectible accounts expense	2,414	399	2,015
20	678	Office services and rentals	16,571	17,969	(1,398)
21	681	Office supplies and expenses	46,654	62,929	(16,275)
22	682	Professional services	81,140	36,901	44,239
23	684	Insurance	33,410	18,859	14,551
24	688	Regulatory commission expenses	11,175	10,375	800
25	689	General expenses	45,055	153,690	(108,635)
26		Total administrative and general expenses	407,868	458,803	(50,935)
27	800	Expenses capitalized	(947)	(897)	(50)
28		Net administrative and general expenses	406,921	457,906	(50,985)
29		Total operating expenses	800,790	820,694	(19,904)

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	34,921	34,921	
2	State corp. franchise tax	800	800	
3	State unemployment insurance tax	1,455	1,455	
4	Other state and local taxes	25	25	
5	Federal unemployment insurance tax	442	442	
6	Federal insurance contributions act	13,216	13,216	
7	Other federal taxes -Medicare	3,341	3,341	
8	Federal income tax	13,553	13,553	
9	Penalties	0	0	0
10				
11	Totals	67,753	67,753	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	44,357
2	Reconciling amounts (list first additional income and unallowable deductions, followed by	
3	additional deductions and non-taxable income):	
4	Income tax provision	13,553
5	Deferred portion of Surcharge Income	11,641
6	Deferred expenses	38,090
7	Nondeductible expenses	2,150
8	Regulatory liability and balancing account adjustments	(136,252)
9	Reversal of interest on CIAC refunds and other	(150,256)
10		
11		
12	Federal tax net income	(176,717)
13	Computation of tax:	
14	Current Fed & State tax	800
	Deferred Income tax	13,553
14	Total tax provision	14,353

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	2,045		
2	CoBank patronage dividend	11,225		
3	Reversal of interest accrual on CIAC and other	145,567		
4	Charitable contributions, donations and other		5,583	
5	Totals	158,837	5,583	153,254

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Long and short term debt	164,908
2	Other	377
3		
4		
5		
6		
7		
8		
9	Totals	165,285

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	77,243	2,534	79,777
2	670	Office Salaries	2	53,949		53,949
3	671	Management Salaries	1	95,286		95,286
4						0
5						
6		Total	6	226,478	2,534	229,012

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.) NO	
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) ²				Annual Quantities Diverted (Unit) ²	Remarks
Line No. Diverted Into*	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
			Claim	Capacity	Max	Min		
1	N/A							
WELLS								
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water	Pumping Capacity (Unit) ²	Annual Quantities Pumped (Unit) ²	Remarks
6	See Attached Schedule							
7								
8								
9								
10								
TUNNELS AND SPRINGS								
Line no	Designation	Location	Number	Maximum	FLOW IN (Unit) ²		Quantities Used (Unit) ²	Remarks
					Minimum			
11								
12	N/A							
13								
14								
15								
Purchased Water for Resale								
16	Purchased from	N/A						
17	Annual quantities purchased						(Unit chosen) ¹	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 2003 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	2,779
A	Yosemite High School	3	8 5/8	47	25	2,241
A	Ditton	1	8 5/8	53	30	4,053
A	Ditton	2	8 5/8	53	125	28,499
A	Ditton	3	8 5/8	106	60	11,375
A	Ditton	4	8 5/8	141	50	17,829
A	Pierce Lake	1	8 5/8	42	47	7,130
A	Highland View	1	8 5/8		10	1,387
A	Junction	1	8 5/8	53	15	5,083
A	Junction	2	8	32	35	7,006
A	Highland View	2	8 5/8		22	946
B	Coarsegold Highlands	1	6	110	75	3,683
D	Hillview (Next To Reservoir)	1	7	88	5	2,886
D	Miami Creek	1	6 5/8		70	5,169
D	River Creek	1	8 5/8	41	18	1,234
D	River Creek	2	8 5/8	45	18	1,437
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	5,608
D	Goldside (25' South Of #3)	4	8 5/8	58	52	18,219
D	Goldside	5	8 5/8	New	6	INACTIVE
D	Goldside	6	6 5/8		90	13,060
F	Sierra Lakes	1A	8 5/8	115	200	65,573
F	Sierra Lakes	3	8 5/8	58	150	54,985
F	Sierra Lakes	4	8 5/8	72	330	38,416
G	Raymond (East Property)	2	6	45	5	1,142
G	Raymond (Storage)	5	6	35	1.5	466
G	Raymond (Storage)	6	6	35	0.5	INACTIVE
G	Raymond (East Property)	7	6	46	6	428
G	Raymond	8	6 5/8	71	20	7,630
G	Raymond	9	6 5/8		4	INACTIVE
G	Raymond (East Property)	10	6 5/8			3,313

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 ^(A)

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 ^(A)

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	1,092	1,082		
Commercial	301	301		
Large water users				
Public authorities				
Irrigation				
Other (specify)				
Sub-total	1,393	1,383	0	0
Private fire connections			125	126
Public fire hydrants			125	125
Total	1,393	1,383	250	251

**SCHEDULE D-5
Number of Meters and Services on Pipe Systems
at End of Year (a)**

Size	Meters	Services
5/8 x 3/4-in.		XXXXXXXX
3/4-in.	1,252	
1-in.	59	
1-1/2-in.	33	
2-in.	35	
3-in.	4	
4-in.	0	
6-in.	0	
8-in.		
10- & 12-in.		
Total	1,383	0

SCHEDULE D-6

Meter Testing Data

A. Number of Meters Tested During Year as Prescribed	
1. New, after being received	_____ instl by mfg
2. Used, before repair	_____
3. Used, after repair	_____
4. Found fast, requiring billing adjustment .	_____
B. Number of Meters In Service Since Last Test.	
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								Subtotal
	January	February	March	April	May	June	July		
Single Family Residential	15,705	14,102	16,158	17,103	18,868	42,211	36,740		160,887
Commercial									0
Industrial									0
Public Auth.									0
Irrigation									0
Other									0
Total	15,705	14,102	16,158	17,103	18,868	42,211	36,740		160,887
Classification of Service	During Current Year							Total	Prior Year
	August	September	October	November	December	Subtotal	Total		
Single Family residential	35,159	36,778	28,004	21,414	17,293	138,648	299,535		305,561
Commercial									0
Industrial									0
Public Auth.									0
Irrigation									0
Other									0
Total	35,159	36,778	28,004	21,414	17,293	138,648	299,535		305,561

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 4,149 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

6-2-04